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*By Hon. Philo Parsons*  
*July 12, 1886*

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PROCEEDINGS  
OF THE  
SEVENTH ANNUAL MEETING  
OF THE  
NATIONAL BOARD OF TRADE,  
HELD IN PHILADELPHIA,  
JUNE, 1875.

CHICAGO:  
KNIGHT & LEONARD, PRINTERS.  
1875.

I believe it is objected by some persons that great questions are for the Legislature, and not for Chambers of Commerce. I should like to ask what would Parliament be, if it were not for that public opinion which not only instructs it, but impels it forward?

JOHN BRIGHT,

*At Annual Dinner of*

*Associated Chambers of Commerce.*

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## INTRODUCTORY NOTE.

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THE object in publishing a report of the debates and action of a body like the National Board of Trade is presumed to be, not so much the giving in minute detail all of its proceedings, with remarks and action upon general questions, as well as those of interest only to the delegates in attendance, but rather to present a record of such of the debates as it may be supposed the public may be interested in, and of the action of the body on such, and upon matters relating to the interests of the body itself. It is, however, desirable that so full a report of the debates should be given as will do justice to the speakers, and furnish a comprehensive digest of the views submitted on the various questions considered, eliminating, as far as practicable, irrelevant matter, and condensing the debates within the narrowest limits consistent with a fair report of the arguments used in support of, or opposed to, the questions before the Board. Having in mind these objects, I have, in making up the contents of this volume, as in previous ones, taken considerable liberty with the *verbatim* reports, and have condensed them very materially in bulk, at the same time endeavoring to preserve all the points that it is presumed delegates would care to have published in a report for public distribution.

Perhaps at no meeting of the Board since its organization has there been a more marked disposition manifested by the delegates, when considering National questions, to embody their views, expressed either in debate or in recommendations by resolution, in such form as to conserve the greatest public good, sinking personal and sectional preferences in the common desire to favor only such measures as seemed to them as being of a truly National character. This was especially developed in treating questions relating to internal improvements by the General Government; while it may be conceded that on some former occasions a rather liberal latitude has been taken in favoring enormous expenditures by the Government on works of this character, it may now be considered a source of congratulation that a more conservative tendency is noticeable, and the delegates,—apparently under the conviction that

the time has come when a tightening of the National purse-strings is properly in order,—refused to recommend anything in this direction but such expenditures as commend themselves to all parts of the country as being properly within the range of governmental supervision, and such as are needed for the general welfare of the whole people. The tendency of the times for the past few years has been so largely in the direction of seeking to appropriate Government money to works of a local or only partially National character that a retrograde movement of public sentiment on this question may be hailed as real progress.

On the question of the currency of the country and the resumption of specie payments, the Board was most emphatic in its expression of sustaining the action taken by Congress, and only asked that such certain and effectual provision should be made as would ensure beyond contingency resumption by the Government on its portion of the currency at the time named. It was deemed wiser to urge that the Congressional plan be sustained and perfected than to seek to embarrass its operations by suggesting other, even though they may be deemed better, modes of reaching the object for which the Board has so often expressed its desire.

Several questions were presented to the Board affecting the commercial interests of the country, and which were deemed to be eminently worthy of its consideration. Among them may be named the amendment of the Shipping Act in several particulars, which were fully discussed and indorsed; a repeal of the late advance in Postal Rates on certain classes of mail matter; important modifications in the form of Bills of Lading, that have within the past few years been imposed upon the public by carriers; renewed efforts in behalf of a treaty for reciprocal trade relations with Canada; suggestions on the subject of Transportation; a revision of late rulings of the Treasury Department in regard to claims for damage allowances on importations under the Act of 1870: this last has already received the favorable consideration of the Department, and all that was asked has been granted.

Unusual unanimity of sentiment prevailed during the sessions, nearly all questions upon which final action was had being disposed of by an almost unanimous vote, the practice of calling the yeas and nays, which has prevailed to a considerable extent at former meetings, not being resorted to during the sessions.

The fixing of the time and place for holding the next session of the Board was reserved by the Executive Council until their meeting in Washington during the next winter.

The delegates in attendance were most cordially received and hospitably entertained by the Board of Trade and Commercial Exchange of Philadelphia, and their thanks were due, and most heartily tendered, to the members of those bodies for the courteous treatment accorded them, as also to the Maritime Exchange for its very enjoyable excursion on the Delaware river after the close of the sessions of the Board.

SECRETARY.

CHICAGO, July, 1875.

## OFFICERS FOR 1875-6.

### **PRESIDENT:**

FREDERICK FRALEY, . . . *Philadelphia.*

### **VICE PRESIDENTS:**

S. P. THOMPSON, . . . . . *Baltimore.*

B. F. NOURSE, . . . . . *Boston.*

GEO. M. HOW, . . . . . *Chicago.*

S. F. COVINGTON, . . . . . *Cincinnati.*

J. D. HAYES, . . . . . *Detroit.*

E. H. ALLEN, . . . . . *Kansas City.*

WM. E. SMITH, . . . . . *Milwaukee.*

THOS. H. PRICE, . . . . . *Mobile.*

FRANKLIN EDSON, . . . . . *New York.*

GEORGE OPDYKE, . . . . . *New York.*

C. J. HOFFMAN, . . . . . *Philadelphia.*

T. C. HERSEY, . . . . . *Portland.*

WM. GROSVENOR, . . . . . *Providence.*

W. M. GROSVENOR, . . . . . *St. Louis.*

### **SECRETARY and TREASURER:**

CHAS. RANDOLPH, . . . . . *Chicago.*

# CONSTITUENT BODIES

IN MEMBERSHIP IN THE NATIONAL BOARD OF TRADE,

1875.

| NAMES.                             | Date of<br>Organization. | Date of<br>Incorporation. | Reported<br>Membership,<br>June, 1875. | President, 1875.    | Secretary, 1875. |
|------------------------------------|--------------------------|---------------------------|----------------------------------------|---------------------|------------------|
| Baltimore Board of Trade .....     | 1849                     | 1852                      | 250                                    | J. Hall Pleasants   | Geo. U. Porter.  |
| Baltimore Corn and Flour Ex'ge.    | 1855                     | 1855                      | 437                                    | Chas. D. Fisher.    | W. F. Wheatley.  |
| Boston Board of Trade.....         | 1854                     | 1854                      | 500                                    | John Cummings       | C. G. Atwood.    |
| Boston Commercial Exchange...      | 1855                     | 1868                      | 200                                    | .....               | Jas. B. Crocker. |
| Chicago Board of Trade .....       | 1848                     | 1859                      | 1833                                   | George Armour.      | Chas. Randolph.  |
| Cincinnati Chamber of Commerce     | 1839                     | 1850                      | 1200                                   | C. M. Holloway.     | C. B. Murray.    |
| Davenport Board of Trade.....      | .....                    | .....                     | 56                                     | Wm. Renwick...      | J. M. Davis.     |
| Detroit Board of Trade.....        | 1856                     | 1863                      | 78                                     | Philo Parsons...    | W. Y. Rumney.    |
| Kansas City Board of Trade .....   | .....                    | .....                     | 107                                    | F. B. Nofsinger.    | W. H. Miller.    |
| Milwaukee Ch'ber of Commerce.      | 1868                     | 1868                      | 405                                    | N. Vankirk .....    | W. J. Langson.   |
| Mobile Board of Trade .....        | 1868                     | 1868                      | 217                                    | Levi E. Brooks..    | E. D. Sanford.   |
| Newark Board of Trade .....        | 1868                     | 1869                      | 160                                    | Edmund L. Joy.      | Robt. S. Swords. |
| New Haven Ch'ber of Commerce.      | 1794                     | 1872                      | 94                                     | T. R. Trowbridge    | Harry Prescott.  |
| New Orleans Ch'ber of Commerce     | 1834                     | 1834                      | 50                                     | Cyrus Bussey ...    | W. M. Burwell.   |
| New York Board of Trade.....       | 1874                     | 1874                      | 310                                    | F. A. Potts (Act'g) | G. W. C. Clarke. |
| New York Chamber of Commerce       | 1768                     | 1770                      | 809                                    | S. D. Babcock...    | Geo. Wilson.     |
| New York Cheap Trans. Assoc'n      | 1873                     | 1875                      | 342                                    | B. P. Baker .....   | F. B. Thurber.   |
| N. Y. Imp'ters & Grocers' B. of T. | 1872                     | 1872                      | 156                                    | Geo. W. Lane ...    | Wm. Neilson.     |
| New York Produce Exchange ...      | 1843                     | 1862                      | 2469                                   | Franklin Edson.     | W. H. Phillips.  |
| Philadelphia Board of Trade ....   | 1833                     | 1838                      | 1109                                   | John Welsh.....     | Geo. L. Buzby.   |
| Philadelphia Commercial Ex'ge.     | 1853                     | 1863                      | 600                                    | Wm. Massey....      | Geo. G. Pierle.  |
| Portland Board of Trade .....      | 1863                     | 1854                      | 285                                    | G. W. Woodman       | M. N. Rich.      |
| Providence Board of Trade .....    | 1868                     | 1868                      | 372                                    | Wm. Grosvenor.      | F. P. Little.    |
| Richmond Chamber of Commerce       | 1867                     | 1868                      | 100                                    | Franklin Stearns    | P. G. Coghlan.   |
| San Francisco Ch'r of Commerce     | 1850                     | 1868                      | 242                                    | Wm. F. Babcock      | Henry Mell.      |
| Scranton Board of Trade .....      | .....                    | 1871                      | 43                                     | Geo. A. Fuller ..   | E. L. Fuller.    |
| St. Louis Board of Trade.....      | 1866                     | 1866                      | 200                                    | J. M. Mason.....    | C. L. Thompson.  |
| Wilmington Board of Trade.....     | 1867                     | 1869                      | 88                                     | W. Hastings .....   | Geo. W. Stone.   |



# OFFICIAL PROGRAMME

OF

## SUBJECTS AND RESOLUTIONS

TO BE CONSIDERED AT THE SEVENTH ANNUAL MEETING OF THE  
NATIONAL BOARD OF TRADE, TO BE HELD IN THE CITY OF PHILA-  
DELPHIA, ON TUESDAY, JUNE 15, 1875, AND FOLLOWING DAYS.

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### I. CAPITATION TAXES ON IMMIGRANTS.

*From the Executive Council.*

*Resolved*, That the Board reaffirms its conviction that all capitation taxes collected from or upon immigrants, whether imposed directly or indirectly, with or without color of law, are unjust and odious and ought to be abolished.

### II. BUREAU OF INTERNAL IMPROVEMENTS.

*From the Mobile Board of Trade.*

WHEREAS, Internal improvements are now made spasmodically, and in great waste of the public money; therefore,

*Resolved*, That Congress be memorialized to establish a Bureau of Internal Improvement, analogous to the Coast Survey, to make preliminary surveys, and suggest a comprehensive and thorough system of improvement.

### III. MISSISSIPPI RIVER LEVEES.

*From the Chamber of Commerce, New Orleans.*

*Resolved*, That the National Board of Trade regards the question of improving the levees on the Mississippi River as one of vital importance to the whole country. That the attention of Congress is earnestly requested to the assistance of this great measure, by the enactment of such laws as may be necessary, to the intent that whenever the States of Louisiana, Mississippi and Arkansas, or any one of them, shall provide by law for leveeing the banks of the Mississippi River within their respective limits, and for the issue of bonds in the sum of \$1,000 each, payable within thirty years from the date thereof, with interest coupons at the rate of six per cent. per annum, payable semi-annually, which bonds are to be used for the

sole purpose of defraying the expense of such leveeing; and shall also, in such laws, provide for an annual tax to an amount sufficient to pay the annual interest on all bonds so issued, and to create an annual sinking fund, sufficient to pay the principal at maturity; then the United States shall guarantee the bonds so issued to an amount not exceeding, for the States of Louisiana and Mississippi, ten millions of dollars each, and for the State of Arkansas five millions, provided that the delivery to the respective States of the bonds so guaranteed shall only be made as the work progresses, under the general supervision of engineers appointed by the United States.

#### IV. POSTAL RATES.

*From the Executive Council.*

A reduction of, and uniformity in, postal rates.

#### V. POSTAL TELEGRAPH.

*From the Executive Council.*

Favoring the establishment of the postal telegraph.

#### VI. UNIFORMITY IN WEIGHTS AND MEASURES.

*From the Executive Council.*

Favoring a uniform system of weights and measures.

#### VII. AMENDMENT TO SHIPPING LAWS OF THE UNITED STATES.

*From the Board of Trade, Philadelphia.*

*Resolved,* That Congress be requested to so amend the shipping act of 1872, that nothing contained therein shall be so construed as to compel any master or seaman, when continuing from voyage to voyage to ship upon the same vessels, to pay to the Shipping Commissioner any fee other than that paid on the first voyage.

#### VIII. TRANSPORTATION.

*From the Executive Council.*

The discussion of measures deemed necessary to remedy existing evils or abuses in the conduct of the transportation business, and such as may mutually benefit the diversified interests of the country, and give stability, security and a reasonable return to the capital legitimately invested in transportation enterprises.

#### IX. ALABAMA WATER ROUTE.

*From the Board of Trade, Mobile.*

WHEREAS, The matter of transportation of grain and other productions of the Great West to the seaboard is one of vast and constantly increasing

importance, and one to which the attention of the whole country is being turned ; and

WHEREAS, The Mobile Board of Trade is satisfied that, at comparatively small expense, constant and uninterrupted water communication can be opened from the Tennessee river to the Gulf of Mexico, both by the waters of the Tombigbee and Coosa rivers ; therefore,

*Resolved*, By the National Board of Trade, that there should be opened on national account and under national superintendence, and without delay, uninterrupted water communication between the Tennessee river and the deep waters of the Bay of Mobile by the two routes above indicated.

#### X. RESUMPTION OF SPECIE PAYMENTS.

*From the Board of Trade, Philadelphia.*

Consideration of the Currency question, and the early resumption of specie payments.

#### XI. AMENDMENT TO NATIONAL BANKING LAW.

*From the Board of Trade, Chicago.*

*Resolved*, That Congress be memorialized to so amend the National Banking Law, that in case of the failure of any National Bank to promptly redeem, on presentation, any of its obligations payable on demand, whether of circulating notes or any other class of its indebtedness ; that it shall be the imperative duty of the Comptroller of the Currency to immediately cause such Bank to be placed in the hands of a Receiver, who shall at once take charge of and proceed to realize upon its assets, as is provided in cases of the appointment of a Receiver under the existing laws : *Provided*, however, that if within thirty (30) days after the appointment of such Receiver it shall be shown to the satisfaction of the Comptroller of the Currency that such Bank is then in a condition in all respects to meet its obligations as they are likely to be presented in the ordinary course of business, and to resume business under the law, the Receiver may in the discretion of the Comptroller of the Currency be relieved, and the Bank be permitted to resume its regular standing and business as a National Bank.

#### XII. AMENDMENT TO CONSTITUTION OF THE BOARD.

*From the Board of Trade, Philadelphia.*

Amend Article VI of the Constitution of the National Board of Trade by inserting at the end of Section 3 the following words, viz. :

*"Provided*, That if a majority of the delegates accredited to, and in attendance at any meeting shall be in number less than forty, such majority shall constitute a quorum."

#### XIII. AMENDMENT TO CONSTITUTION OF THE BOARD.

*From the Board of Trade, Philadelphia.*

Amend Article IX of the Constitution of the National Board of Trade by adding, as Section 3, the following :

"In case any constituent body shall fail to be represented by delegates at two successive annual meetings of the Board, and also fail to pay its annual assessment for two years, it shall cease to be considered in membership."

#### XIV. SAVINGS BANKS.

*From the Board of Trade, Chicago.*

Recommending as far as practicable uniform laws in regard to Savings Banks, and such modifications of existing laws as will insure perfect security to depositors in Savings Banks.

#### XV. UNITED STATES STEAMBOAT LAW.

*From the Board of Trade, Philadelphia.*

The Philadelphia Board of Trade presents for the consideration of the National Board of Trade the Steamboat Law of the United States.

#### XVI. CANADIAN RECIPROCITY.

*From the Board of Trade, Chicago.*

*Resolved*, That Congress be memorialized and urged to authorize the early appointment, by the President of the United States, of a commission of not less than five (5) merchants and business men, familiar with the subject, to confer on the part of the United States with a like commission on the part of the Dominion of Canada, on the subject of a treaty for reciprocal trade and commercial relations between the United States and the Dominion of Canada. Said joint commission to be authorized on the part of their respective governments to suggest and recommend the details of provisions for such treaty, subject to the concurrence of the respective governments of the United States, the Dominion of Canada and of Great Britain.

#### XVII. DIRECT IMPORTATIONS TO THE INTERIOR.

*From the Board of Trade, Chicago.*

*Resolved*, That the National Board of Trade recommend and urge such modifications of the rulings of the Treasury Department in regard to allowances for damages on importations of merchandise, as will construe the date of landing as contemplated by section 2927 Revised Statutes, to be the arrival of the goods at their ultimate destination as shown by the manifest or bill of lading alluded to in section 2990 Revised Statutes, and not necessarily the port of arrival from a foreign country, recent rulings of the Department having the effect to restrict importations under the law of 1870, and in large measure being injurious to the interests of interior importers.

SEVENTH ANNUAL MEETING  
OF THE  
NATIONAL BOARD OF TRADE.

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The Seventh Annual Meeting of the National Board of Trade was held at the Hall of the Board of Trade of the city of Philadelphia, on Tuesday, Wednesday, Thursday and Friday, June 15 to 18, inclusive, 1875.

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FIRST DAY.

TUESDAY, JUNE 15, 1875.

The Board was called to order at twelve o'clock, noon, the President, Hon. FREDERICK FRALEY, of Philadelphia, in the Chair.

The divine blessing on the deliberations of the body was invoked by the Rev. Dr. AGNEW, of Philadelphia.

The PRESIDENT: *Gentlemen* — In accordance with arrangements made by the constituent bodies of the Board at Philadelphia, Mr. JOHN WELSH, the President of the Philadelphia Board of Trade, will welcome to the city the representatives of this body; and I now have the pleasure of introducing him to you.

Mr. WELSH: *Gentlemen* — It is with pleasure that I welcome you to Philadelphia. Seven years ago a similar duty was discharged by me when the representatives of the commercial bodies of the United States met in this city to organize the National Board of Trade. Several of the gentlemen who were then

most active among its members have disappeared from the busy scenes of earth; but the necessities of this great globe admit of no cessation in their supply, and as we drop a tear because of the departure of one, the lost power is recuperated from the throng rising around us, and the same body, intact, continues its onward mission. Neither the world nor its occupants stand still, and, as the seasons succeed each other, renewed demands are made upon you to consider the condition of the vast interests which lie within your extended sphere. To-day they seem greater than yesterday, and to-morrow they will outweigh those of to-day. Increase is the law which regulates the action of nature as well as the purpose of man. The occasional oscillations which are so disturbing do not hinder the onward progress, and individual disappointments are not always indications of diminished power or exhausted resources in the mass.

The inactivity which now marks many of the departments of commerce is the result of over-action, and not of decline or decay. Ill-directed enterprises must be unproductive, and diminished incomes are the consequence; but the soil yields bountifully in return for its diligent cultivation, and labor finds its reward when judiciously applied. Under all our apparent disadvantages the nation was never stronger than it is now. It is in debt, but its resources are beyond computation; and if they are not well administered, it becomes such bodies as yours to point out how and where mistakes occur, and the means requisite for their correction. It is the people who govern, and you are of the people.

We complain that the times are out of joint. It is well that now and then we should look on other lands and on other people, and then recall our vision to what we have at home. The contrast will make us better contented with what we have, though never leading us, I trust, to be so well satisfied or so indifferent as to neglect to improve whatever around us may admit of improvement. It is this thought which will animate and direct your labors. The results of your deliberations will receive the respectful and serious consideration of the country. Drawn from its leading centers of business, none can be better informed than yourselves, and the judgments you may record will be recognized as those of a body influenced by the purest motives.

Pardón me, gentlemen, if I add a few words on a subject of peculiar interest at this moment, and the introduction of which I hope you will not consider inappropriate on this occasion.

This is the closing year of the first century in the history of our country. The days are fast approaching when all of us will desire to unite in celebrating that memorable event which gave birth to the "United States of America." Congress has provided for it by law. It is to be National and International. It is proper that it should be so. The principles declared in the Charter of our Liberties are not only rooted and bearing fruit here, but they have been reflected on other lands and other people, and are, in some measure at least, asserting themselves among them. The site of the celebration is to be in this city, where the first Congress met and the Declaration of Independence was first published to the world.

Preparations are being made on a scale of magnitude and grandeur suited to the occasion. The older nations of the world will participate in it largely. The younger nations will vie with them. Our own will take its place among them all. Each will learn from the other in what it is deficient. It will be a school in which all may profit.

What a scene will it exhibit! The nations of the earth assembled in peace! Most conspicuous among them will be seen Great Britain and the United States. At the opening of the century they were in deadly strife; now they are bound together by ties of enduring friendship. And what will be yet more attractive in the eyes of the world, and dearer to us than language can express, will be the rivalry then shown by our own people assembled on this sacred spot from all the sections of our land, not only in acts of kindness to each other, but in the veneration they bear for the memories of the great and good men whose sacrifices and valor won for us the blessings we now enjoy.

Gentlemen, among the men of 1776, merchants were conspicuous. Ever since, in times of emergency, they have been relied upon. In the preparations for the Centennial Celebration they have been the most active. In appealing to you to carry with you to your homes, when you shall leave here, a determination that each part of our whole country shall unite cordially in its support, I am sure that I ask what you will undertake to do most effectually and most cheerfully. (Applause.)

The PRESIDENT: As my Bro. WELSH and I have been found so many times together, I believe that it would be very difficult for me, and perhaps a little indelicate, to respond to that address.

I have therefore requested our friend, Hon. WILLIAM E. SMITH, of Milwaukee, one of the Vice Presidents of the Board, to take my place upon this occasion, and to say for you what I know you all desire to have said.

Mr. SMITH was then introduced by the President, and said:

*Mr. Welsh, President of the Philadelphia Board of Trade:* Allow me first to say that I could wish that to abler hands than mine had been committed the pleasant duty of responding to your cordial welcome, but our worthy President, with whom I have had the pleasure of serving for several years, has summoned me to this task, and having been accustomed to obey his orders, I do not feel at liberty to decline on an occasion like this.

We accept your cordial welcome in the spirit in which it has been extended, and we desire to thank you and, through you, those whom you represent, for the cordial greeting extended to the National Board of Trade.

In your address of welcome you remind us that seven years since the National Board of Trade was organized in the city of Philadelphia. Its declared object or objects at that time were to promote the efficiency and extend the usefulness of Boards of Trade, of Chambers of Commerce, and other chartered bodies organized for commercial purposes, and more especially for the purpose of giving proper consideration to questions pertaining to the financial, commercial and industrial interests of our common country. I am happy to be able to say here, to-day, that during the seven years of its existence this Board has endeavored faithfully to adhere to its purposes as declared at that time, and without sectional or partisan bias we have sought to consider and discuss questions pertaining solely to the financial, commercial and industrial interests of our country; and now, after seven years of pilgrimage, we are assembled here again in the city of Philadelphia.

In the meantime we have met at some six or seven of the great commercial centers of our country. We have had the opportunity of becoming acquainted with the people and with the great interests centering in those places. We have had the opportunity of informing ourselves, and giving to the country some account of the great agricultural, commercial and indus-

trial interests of this vast and extended country, and we flatter ourselves that our efforts and labors have not been entirely unattended with success, that we have been able, to some extent at least, to advance and promote these great industries—these great interests of our land.

You have also reminded us that soon the great Centennial Celebration will be held in this city. We are reminded also, sir, that we are now at the birthplace of our nation, and I need not detain you by referring to the great objects that have been secured, and great good accomplished by the republican institutions there and then established. I deem it exceedingly opportune that we meet in this city at this time. If I am correctly informed, just one hundred years ago this day, General Washington was in this city elected Commander-in-Chief of the forces of the United States. (Applause.) And, sir, we rejoice, I rejoice, the country rejoices, that you have undertaken here, and called upon the people of our common country to unite with you in endeavoring in a fitting manner to celebrate the anniversary of our national independence. Here, sir, we are assembled under the shadow of Independence Hall. Here we may always hear that bell which proclaimed liberty throughout all the land to all the inhabitants thereof. An opportunity will be afforded at the great Centennial gathering in 1876, to show to the people of the world what has been accomplished by and through our republican institutions. And further, our own people from all parts of this vast country will be brought together in peace, in harmony and in social concourse, and thus may we hope that the future peace, honor, glory and independence of our country may be secured through all time to come. (Applause.)

The PRESIDENT: The presentation of credentials is now in order. I will ask that gentlemen who have not yet presented their credentials will present them now. There are several delegations present who represent bodies that have not yet been admitted to membership. Pending the application for admission these delegates ought to be accorded seats.

Mr. How, of Chicago: I move that the gentlemen present representing bodies that have not yet been admitted to membership in the Board be admitted to seats.

Unanimously agreed to.

The Secretary then called the roll of delegates whose credentials had been received, those present answering as their names were called.

The list of accredited delegates, as subsequently perfected, was as follows:

**Baltimore Board of Trade.**

Samuel P. Thompson,                  James Carey Coale,  
Henry C. Smith.

**Baltimore Corn and Flour Exchange.**

Wm. S. Young,                          Henry A. Parr,  
R. B. Bayard.

**Boston Board of Trade.**

Benjamin F. Nourse,                  Joseph S. Ropes,  
Jerome Jones,                          Edward Atkinson.

**Chicago Board of Trade.**

George M. How,                          D. W. Irwin,  
S. H. McCrea,                          John P. Reynolds,  
Alexander Murison,                  W. P. Dickinson,  
Charles J. Gilbert,                  A. M. Wright.

**Cincinnati Chamber of Commerce.**

S. F. Covington,                          Benjamin Eggleston,  
H. W. Brown,                          Solomon Levi,  
Samuel Frank,                          A. T. Goshorn.

**\* Davenport (Ia.) Board of Trade.**

Waldo M. Potter.

**Detroit Board of Trade.**

J. D. Hayes.

**Kansas City Board of Trade.**

Edward H. Allen.

**Milwaukee Chamber of Commerce.**

Wm. E. Smith,                          Edward D. Holton.  
Robert Lindblom.

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\* Bodies admitted to membership during the session.

LIST OF DELEGATES.

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**Mobile Board of Trade.**

Thomas H. Price,                      Albert C. Danner.

**Newark Board of Trade.**

Thomas B. Peddie,                      Edmund L. Joy.

**New Haven Chamber of Commerce.**

William G. Sumner.

**\* New York Board of Trade.**

Henry L. Clapp,                      Wallace P. Groom,  
George W. C. Clarke.

**New York Chamber of Commerce.**

Samuel D. Babcock,                      J. S. T. Stranahan,  
George Opdyke,                      Elliott C. Cowden.

**\* New York Cheap Transportation Association.**

George A. Merwin,                      John F. Henry,  
Charles Watrous.

**New York Importers' and Grocers' Board of Trade.**

F. B. Thurber,                      J. C. Havemeyer.

**New York Produce Exchange.**

L. J. N. Stark,                      Franklin Edson,  
John H. Boynton,                      Frederick Meissner,  
Wm. H. Philips,                      James W. McCulloh,  
Forrest H. Parker,                      Edward Hincken,  
Calvin B. Lockwood,                      Charles R. Hickox.

**Philadelphia Board of Trade.**

Frederick Fraley,                      Henry Winsor,  
George L. Buzby,                      J. Price Wetherell,  
Wm. C. Kent,                      George N. Allen.

**Philadelphia Commercial Exchange.**

C. J. Hoffman,                      E. Harper Jeffries,  
John H. Michener,                      William Massey.

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\* Bodies admitted to membership during the session.

## NATIONAL BOARD OF TRADE.

## Portland Board of Trade.

T. C. Hersey, Charles H. Haskell.

## Providence Board of Trade.

William Grosvenor, W. S. Simmons,  
C. B. Farnsworth.

## Richmond Chamber of Commerce.

A. L. Ellett, R. E. Blankinship.

## \*Scranton, Pa., Board of Trade.

George A. Fuller.

## St. Louis Board of Trade.

W. M. Grosvenor.

## Wilmington Board of Trade.

J. T. Heald.

The PRESIDENT: A quorum of delegates are present. I have received a letter from Boston, informing me that, in consequence of the preparations in progress in that city at this time for the celebration of the battle of Bunker Hill, their delegates do not feel free to leave the city. They assure me of their continued interest in the prosperity of the Board. And a similar announcement has been made to me in regard to the delegates from Portland.

Mr. HOLTON, of Milwaukee: Will it be in order to give some expression in regard to this letter from Boston now? If so, I move that the Secretary be instructed to express the regrets of this body that the delegations are not here. Also, that in the opinion of this body, it is the duty of every man in Boston to stay at home and attend to the celebration at Bunker Hill. (Laughter and applause.)

The PRESIDENT: The motion of my friend Mr. HOLTON would fall, I suppose, within the rule of its being one of ceremony.

The resolution was then voted upon and unanimously adopted.

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\* Bodies admitted to membership during the session.

The PRESIDENT: The reading of the report of the Executive Council will now be in order.

The Secretary read as follows:

#### SEVENTH ANNUAL REPORT.

The Executive Council, in presenting to the representatives of the constituent bodies of the National Board of Trade a summary of its proceedings in behalf of the body since the last adjournment, together with such suggestions and recommendations as seem to it proper for your consideration, would be happy at the outset to express to the Board and the country their congratulations, that the heavy cloud which had, immediately preceding the last regular meeting of the Board, completely overshadowed the financial horizon of our country—but which at that time seemed to be lifting—had ere this been entirely dispelled, and full prosperity had again returned to bless our people in all their multiform industries. The Council had hoped that long previous to the present day commercial confidence, with its attendant, commercial credit, so necessary to the successful prosecution of any form of legitimate pursuit, and for the successful conduct of even the most meritorious enterprises, would have succeeded to the shock which resulted from the collapse of some of the speculative ventures of the few preceding years; but we are pained to observe on every hand abundant evidences that the harvest of distrust and uncertainty that was borne of the condition of our monetary affairs as developed in September, 1873, seems not as yet all garnered, and much of depression yet exists in many or most of the active pursuits of our people. For the past several years the great agricultural interests of most portions of the country have enjoyed a reasonable degree of prosperity; but the no less important, though less numerous, manufacturing, mining and commercial classes are in a condition so far below their accustomed remunerative activity as to excite grave reflection and concern: hence, we find the supply of both the highest and the lowest orders of human labor largely in excess of the demand, and owing to the proverbial sensitiveness of capital in times of distrust, we observe vast amounts of it withheld from active uses in legitimate enterprises; either locked up in bank vaults, or temporarily loaned for the promotion of non-producing, and in many cases positively pernicious ventures, the tendency of this

state of facts being more or less demoralizing to the highest interests of our people, and must if long continued result in dwarfing those qualities of energy and true advancement for which the American people have been so preëminently distinguished. •

The Council would not desire to express exaggerated views of the situation of affairs as they exist, or to create undue alarm touching our financial, commercial and industrial interests, but they cannot suppress the conviction that the facts alluded to, are exercising an influence greatly depressing to our energies as a people, and holding in check that degree of development in material prosperity that our natural resources would give us and the world a right to expect. If the deliberations of this body, and the influences emanating from it, may be made to tend in any measure to the removal or overcoming of the evils which we are now experiencing, surely such an object is worthy our highest effort, and should command the gravest consideration, not only of those who may take part in those deliberations, but should be seconded and followed up by our respective constituencies, with such an earnest desire to promote the common welfare as shall command the respect and attention of the country at large.

Immediately succeeding the sessions of the Board at Baltimore, in January, 1874, the members of the Council, together with other gentlemen in attendance on that meeting, proceeded to Washington to lay before Congress and the departments of the Government the expressions of the Board on the several questions passed upon by it at the meetings in Chicago and Baltimore; and again, during the Congressional session of the past winter, a meeting was held at the capitol to still further urge upon the national representatives those views which had received the sanction of the Board. On some of these questions but little more than the making of a favorable impression, and paving the way for future legislation, was anticipated, on others it was hoped immediate action might be had.

#### NATIONAL BANKRUPT LAW.

The Board at Chicago recommended important modifications in the national law respecting proceedings in bankruptcy, specifying several particulars in which it was deemed amendments were necessary, and generally praying that Congress would authorize a thorough revision of the law, to be made by a commission repre-

senting both the Government and the business interests of the country. On this subject, the full measure of relief sought has not been accorded, but very important modifications of the law in the direction suggested were adopted; so that proceedings under it are now somewhat more satisfactory, and in many cases less expensive. The Council regret that Congress has not availed itself of other suggestions, resulting from the experience of those most interested in the operation of this primarily beneficent, but greatly abused enactment, to correct, and, as far as possible, simplify the proceedings under it, so that while the honest but unfortunate debtor may be legally relieved from obligations he finds it impossible otherwise to discharge, it shall neither be the means of promoting dishonesty, nor so dilatory or expensive in its operations as to render it an undesirable method of realizing on those estates which from necessity must be disposed of for the benefit of creditors.

#### DEPARTMENT OF COMMERCE.

The National Board has repeatedly given expression favorable to the establishment of a Department of Commerce, as a distinct branch of the Government, such a department to be charged with the general oversight of all interests pertaining both to the foreign and domestic commerce of the country; and at the meeting in Chicago approved the substance of a bill prepared by the President of the Board as indicating their views as to what should be embraced in the duties of such a department, and directed the Council to prosecute its efforts for the establishment of the same by Congress. These instructions have been observed, and the subject has as heretofore been pressed upon the attention of the Government; and while the Council cannot report full success in their efforts, they deem it a source of congratulation to the Board that the question appears to be regarded with a growing favor, and that what may be called the first step has already been taken in the direction desired. At the last session of Congress the following was adopted and is now a law, viz.:

It shall be the duty of the officer in charge of the Bureau of Statistics, to gather, collate and annually report to the Secretary of the Treasury for transmission to Congress, statistics and facts relating to commerce with foreign nations and among the several States; the railroad systems of this and other countries; the construction and operation of railroads; the actual cost of such construction and operation of railroads; the actual cost of transportation on railroads, and on canals and other navigable waters of the

United States; the charges imposed for such transportation of freight and passengers; and the tonnage transported.

This, although pertaining to but one branch of the general subject embraced in the recommendations of the Board, and falling far short of what we deem to be imperatively demanded by the necessities of the commerce of the country, and although it imposes additional duties on a Department of the Government already more overburdened than any other, still must be regarded as indicating an increased interest on the part of the Government in the internal industries of the country, and as such may be hailed as real progress. It is believed that even this small beginning will ere long develop such a demand for its enlargement that at no distant day the Government will be compelled to so recognize the importance of our domestic trade and commerce as to provide facilities for its proper care and supervision, commensurate with its magnitude.

The Council recommend that not only the National Board, in such ways as it may, but that also the constituent bodies, continue to press this measure until full success shall have crowned their efforts, and a separate Department shall have been established charged solely with the oversight of matters pertaining to the trade of the country and kindred subjects.

#### TRANSPORTATION.

At the last annual meeting of the Board several questions relating to the subject of transportation were referred to the Council for examination and report. The magnitude of these questions precluded a satisfactory examination during the short interval of time previous to the adjourned meeting at Baltimore, and from necessity their full investigation was postponed. The Council have requested President Fraley to prepare a paper on the points embraced in the resolution adopted at Chicago, which will be submitted for your consideration at this meeting; and with a view of eliciting the fullest discussion of the whole subject—if the Board shall so desire—the subject has been placed on the official programme in such terms as will enable this question in all its ramifications to be fully before you.

The Council ordered memorials sent to Congress and the several State Legislatures, praying for such relief as was indicated as being desirable by the action of the Board.

## CURRENCY AND FINANCE.

The question which more than any other received the attention of the Board, and was the most elaborately discussed, both at Chicago and Baltimore, was that relating to the finances of the country, and as connected therewith, that of the currency; indeed this subject has been discussed at every meeting of the Board since its organization — the body again and again expressing itself in favor of an early return to specie payments, and the speedy adjustment of all our financial obligations upon a sound and reliable basis. While this desire has been often reiterated, it has been found impracticable to secure a concurrence of opinion as to any detailed or specific plan for the accomplishment of the end sought. At Baltimore — the subject having been postponed from the Chicago meeting without any action — a new condition or phase of the question confronted the Board. Efforts which developed great strength and pertinacity were being put forth to induce Congress, then in session, to authorize a still further issue of irredeemable government paper currency, many holding that the then existing pressure in financial affairs was attributable to the lack of a sufficient volume of currency with which to carry on successfully the business of the country, and that with an increase in the quantity of the currency afloat, business would revive, credit would be restored, and a condition of general prosperity would speedily be realized. This class of arguments was pressed upon Congress with a vigor that for a time seemed to promise success, and in the meantime all departments of trade were held in a condition of great uncertainty, none knowing but that we were about to be launched on a troublous sea of inflation, the results of which no man could measure, but which would postpone into the distant future all attempts at securing a safe anchorage, or indeed any soundings on the solid rock of financial stability. In view of this condition of things, it was deemed wise at that time for the Board to address itself to the effort to check this tendency, rather than to press measures having direct reference to restoring to the specie standard the currency already in circulation; hence the action of the body at that time, was more in the nature of protest against threatened evils than of recommendation as to a general financial policy, the principal expression being that it was the sense of the Board that there should be no further issues of an irredeemable paper currency, and that

so much of an increase of the issues of the Government as had then recently been put afloat should be forthwith retired and canceled. The vote on these propositions was overwhelmingly in their favor, but nine nays being recorded to the first, and ten to the second of them.

The Council, with other members of the Board, carried these expressions to Congress and urged their adoption. The contest was long and critical, but finally resulted in the defeat of inflation schemes, but owing to the supposed necessities of the national treasury, the late increase in the currency was not ordered retired, and is still in circulation.

During the interval between the sessions of Congress in 1874, the demand for an increase of currency substantially ceased, and on the reassembling but little disposition was manifested to renew that phase of the question. The west and south, from some portions of which this demand had mainly sprung, had failed to avail themselves to any considerable extent of securing National Bank circulation, by the compulsory retirement,—as provided by law,—of the excess of proportion previously allotted to the Eastern States, and the theory that increase of promises to pay, with no new measures provided for such payment, would remove the difficulties under which the credit of the country was suffering, had almost entirely disappeared.

A session of the Council was held in Washington during the early days of the last session of Congress, and the financial situation as then presented was discussed; and views compared with the leading minds of the National Legislature, and also with the Secretary of the Treasury. After mature deliberation, and in view of the oft-repeated expressions of the Board on the subject, and on the suggestions of Members of Congress, the Council felt at liberty to lay before that body, through its committees on Finance, Banking and Currency, and Ways and Means, the outlines of a plan looking to a resumption of specie payments by the Government. The general details of this proposition were given to the country through the public press, and need not be repeated in this place; suffice it to say, that it contemplated the gradual but certain withdrawal and destruction of the legal-tender notes and fractional currency now in circulation, and their substitution by Coin and National Bank notes, to the extent that there would be a demand for the latter under a free banking law. The means by which the Government

would be enabled to redeem its circulation, it was suggested be provided for, by a gold loan, at a low rate of interest and on a sufficiently long time to make it a marketable and desirable security. The process of redemption and cancellation of the legal-tender notes, and fractional currency, it was suggested be regulated by the sale of the securities authorized, the proceeds of which was all to be paid into the treasury before the first day of July, 1878; when the full resumption of specie payments was to take effect; although under favorable circumstances it would be practically established at an earlier day. The Council held the view, that to insure full confidence on the part of our own people, and of other nations, in our ability to resume and maintain specie payments, it was desirable that provision ample and certain, should be made, by which all could see that the end sought was attainable, and being fixed by law, pledging the faith of the Government to its accomplishment, the people would so shape their private affairs, as to be prepared, without disturbance or appreciable loss, to conform to the new order of financial engagements at or before the date fixed for a certain and full resumption.

In this, as in other matters, the views urged upon Congress by the Council have been only partly or approximately adopted. An Act, originating in the Senate, and passed by it in December last, and which finally, having been concurred in by the House of Representatives, was approved by the President and became a law on January 14, 1875, provides, that the Government of the United States shall redeem its legal-tender notes in specie on the first day of January, 1879, and that the fractional currency shall be redeemed in silver coin at an earlier day, or so soon as the mints of the United States shall be able to coin the silver necessary for such redemption, and to facilitate the coinage of bullion, provides for its free coinage by the United States. This Act provides for immediate free banking, or the establishment of National Banks, and the issue of circulating notes by them under the provisions of the existing banking law, without limit as to the amount of such issue, or restrictions as to the location of such banks; thus abrogating an offensive feature of the operation of the national banking law, and relieving it of its monopoly characteristic. The Act provides for the retirement of legal-tender notes to the extent of eighty per cent. of the increase in National Bank notes, until the volume of legal-

tender notes outstanding is reduced to three hundred millions of dollars. This measure was conceded by its friends to be the result of compromise, and like all compromises is not entirely satisfactory to any of its supporters; but as indicating a disposition to return to the true basis of values, we may regard it as an omen for good, and although long delayed, still to be gratefully accepted, in the hope that it may result in fully accomplishing that which its title denotes as its object.

The Act, as it now stands, it must be confessed, lacks elements of certainty which ought not to attach to a measure so important in its character, and one that should not fail to secure the utmost confidence in its successful operation. The means provided for securing the necessary coin with which to redeem the paper currency, is by the sale of certain bonds previously authorized by Act of Congress; these bonds, or at least those that will probably be available for the purposes of redemption, are to bear interest not exceeding four, or four and one-half per cent., and the Secretary of the Treasury does not seem to be authorized to negotiate their sale at a less rate than par in gold. With the uncertainties as to the future conditions of the money markets of the world, it may not be wise to rely on the ability of the Treasury Department to effect extensive loans upon these terms; and to insure confidence in the full accomplishment of the objects of this Act, it would seem that no possible or probable contingency of this nature should exist; but rather that in case it should become necessary to do so, a slight discount should be permitted in the sale of the bonds, or a slightly increased rate of interest be allowed. Again, there is an element of uncertainty as to the possible re-issue of such portions of the legal-tender notes as are directed to be retired on the issue of National Bank notes, no provision existing in the law that such notes shall be canceled and destroyed. If it be the design to hold these notes as a reserve, their amount possibly reaching eighty-two millions of dollars, it cannot fail of being regarded as a standing menace to the financial interests of the country. Past experience has shown the ever threatening character of such a reserve being held under the control of a Secretary of the Treasury, or even of Congress, pressed, as they are liable to be on a fancied emergency, to release it, to the disturbance of all the industries and business of the people. Slight modifications or amendments to the law in these, and perhaps other respects, would, it is believed, tend to

inspire a greater degree of confidence in its ultimately accomplishing all that it is claimed as its design. As yet, although perhaps, it may be too early to have expected it, no evidences of preparation are observable in the community indicative of faith that so desirable an object as the reestablishment of our currency on a specie basis will be realized within the time named; indeed the premium on coin, or rather the depreciation of our currency, is considerably greater now than at the time of the passage of the measure under consideration. We may not necessarily augur ill for the measure from this condition of facts, but it may be properly turned to account in the Congressional mind in considering what, if any, measures may be necessary or proper to adopt to strengthen the public confidence in the full success of their plan for resumption.

The removal of restrictions as to the issue of National Bank notes under the national banking law has existed sufficiently long to demonstrate that no fears need be entertained in regard to an excessive issue of currency through that agency, and has doubtless in large measure satisfied many who honestly believed there was a legitimate demand for more circulation, that such views had no substantial foundation.

#### MOIETIES TO INFORMERS.

The Board at Baltimore adopted resolutions expressive of its sense of the necessity of so modifying the Revenue laws as to relieve the business interests of the country of the evils incident to the system of rewarding informers of infractions of those laws by moieties, and instructed the Council to present the resolutions so adopted to Congress, and to use all proper efforts to secure reformatory legislation on the subject. The Council are happy to be able to report that on this subject the fullest success has been achieved, and the objectionable features of the law have been repealed. The Council do not assume to claim exclusive credit for the success which attended their efforts on this question; other gentlemen familiar with the abuses which had grown up under cover of the laws were active and most efficient in aid of the repeal.

#### CANADIAN RECIPROCITY.

This Board has so often reiterated its desire that an equitable treaty for reciprocal trade between the United States and the

Dominion of Canada might be negotiated and ratified, that the extended discussion of that question seems unnecessary in this place. The Council were by your vote directed to still further press action by Congress on the subject, and endeavor to secure such a treaty as would meet the demands of our own people, and be acceptable to our Canadian neighbors. The necessity of action, as indicated by the vote of the Board, was superseded by the announcement early in 1874 that the representatives of the governments in interest were engaged in negotiating the terms of a treaty which it was hoped would result in a satisfactory conclusion. The details of the proposed treaty having been thus arranged, were in due time promulgated to the people of the respective countries; but in many respects its provisions appeared to be unsatisfactory, opposition to its ratification appearing about equally in Canada and the United States, and developing in this country to a sufficient degree to secure its failure of ratification by the United States Senate.

This treaty was pending in the Senate at the time of the last meeting of the Council in Washington; but its rejection was at that time so far a foregone conclusion that it was deemed by the Council unwise to express any views favorable or otherwise to its ratification.

The question now stands as it did when last before this body, except that we are confronted with the late failure in efforts to bring it to a solution. It is again brought to your attention by a proposition on the official programme for this meeting, and will doubtless receive proper consideration at your hands.

The Dominion Board of Trade very kindly extended an invitation to this Board to send a delegation to attend their meetings held at Ottawa in January, 1874, at St. John's, New Brunswick, in July, 1874, and at Ottawa in January, 1875. At all of these meetings our Board was represented by a delegation; but owing to the inclemency of the seasons in which the Ottawa meetings were held, and the remoteness of St. John's, it was found impracticable to secure so full a representation at either of the meetings as was desirable.

In response to the fraternal feeling thus manifested by our Canadian brethren, a cordial invitation has been extended to them to be represented at this meeting, and it is hoped we shall again have the pleasure of welcoming their delegates among us.

Several other propositions received the approval of the Board

at its last two sessions, and in so far as these demanded action on the part of the Council, your instructions have been carried out. Among these may be named, as pertaining to national affairs: A modification of the tariff laws respecting the duties on commissions, packages and the cost of shipping goods; A modification of the regulations of the Treasury Department in regard to the export of distilled and malt liquors; National regulations in respect to quarantine; A just and equitable distribution of the moneys received from Great Britain under the "Alabama claims" award; The removal of obstructions to navigation in the Detroit river; A revision of the laws relating to the coasting trade of the northern lakes, with a view of obtaining more reliable statistical information touching that trade; The reorganization of the Indian Territory, and the appointment of international commissions to consider and provide for reciprocal trade relations with the Spanish American States; and to devise a system of ocean tracks for transatlantic ocean steamers.

Memorials have also been forwarded to the Legislatures of all the States on the following subjects, viz.:

Uniform laws for the formation of incorporated companies.

The official registration of the individual names of persons engaged in business under a firm name.

Several points in the general question of transportation by railway, viz.: Favoring the passage of laws by the several States, requiring railway companies to either assume the direct and entire control and responsibility of the whole business of their lines; or open it to the competition of all freight organizations that may seek to undertake the transportation business. That railway companies, by laws simple and inexpensive in their application, be required to deliver the same quantity of grain transported in bulk over their lines that has been received by them. And expressive of the sense of the Board, that while railway corporations may properly be held in check, in attempts at the exercise of unjust or arbitrary powers, nevertheless it is inexpedient, by legislation, to establish fixed rates for transportation.

Upon some of these subjects appropriate action has been taken by the bodies to whom the memorials ordered by the Council have been sent. On others, no advices have been received that the ends sought to be accomplished by the Board have received that attention which it was deemed their importance demanded.

The Council have thus briefly sketched their principal action on behalf of the Board during the past eighteen months; whatever of good result has been achieved is a source of congratulation. It may be impossible to definitely define or measure the influence of this body on these or any questions upon which it gives expression to its views; other efforts have been brought to bear in the same general direction, and others may, perhaps with good reason, claim credit for the exercise of potent or, indeed, controlling influences. We would not desire even to seem, appropriating credit for what may have been brought about, or at least largely assisted, by other considerations than such arguments or influences as the representatives of this Board could bring to bear upon the several questions it has considered. Ends are what are desired, and if these be accomplished we need not be anxious as to whom the credit of securing them may belong, while we and the country are permitted to enjoy their fruits.

The Council cannot fail to express their profound thanks for the uniform courtesy extended to them by Senators and Representatives in Congress, and by the heads of departments at Washington, and especially to the Honorable Secretary of the Treasury, who, with great kindness, listened to our views, and fully appreciated the importance of the great questions discussed with him.

The official programme presented for your consideration at the present meeting embraces fewer topics than some of its predecessors, but there is much in the questions there presented that may well enlist your careful attention and considerate action.

This organization has now been in existence seven years; during which time it has visited and held sessions in eight of the prominent business centers of the country, thus being enabled to mingle and become personally acquainted with their merchants, manufacturers and commercial representatives, and, it is hoped, also of becoming more conversant with the varied interests of the several sections of the land which we have so visited. Having thus in a measure traversed the country, and having gathered the experience of these years, we find ourselves again at our starting point, and again assembled under the shadow of Independence Hall, where less than a century since was laid the foundation upon which has been reared the mighty structure of this great nation; which has in so short a period of the world's

history, grown to proportions and influence in the world's affairs that challenges the patriotic pride of every true representative of the United States.

May we not with propriety now take somewhat of a retrospective glance at our past record, with a view to gathering what of instruction we may from its teachings, and apply it to our future course of action? In such a review, one question will no doubt suggest itself to all our minds, viz., of what practical value or advantage has this organization been hitherto, or is likely to be in the future, to the interests we, in a measure, represent, or to the country at large? Upon the answer to this question will necessarily depend our idea as to whether the organization is worthy of being maintained, or whether it is not wiser to disband it, resolving it to its original elements, thereby acknowledging either that those interests with which we are identified are not of sufficient importance to justify the time and expense necessary for their discussion, and the maturing of proposed action in reference to them, or that we are unequal to the task of properly considering and acting upon them in such a way as to encourage the hope of practical and beneficial results.

Having reference to the past history of this body, and bearing in mind the general character of its objects and aims, the Council are free to express the opinion that it has in many ways exerted a salutary influence on public questions, to a degree that has fully justified all the time and thought that has been devoted to their consideration. We believe its action has in many instances awakened or intensified an interest in public questions, and aroused discussions through the press and otherwise that have carried forward to consummation important and meritorious measures on the one hand, and on the other, accomplished the defeat of objectionable propositions. We may rest assured that intelligent expressions on public questions by practical business men, men engaged in the active pursuits of daily commercial life, and constantly coming in contact with the effects of measures interesting not only to themselves, but to all the industries of the country, will ever receive, as it has done hitherto, its due weight, and make its appropriate impression on the course of future events. We may not overlook the acknowledged fact, that, to a great extent, our legislators, both National and State, are not skilled by either observation or experience in measuring effects upon the business and prosperity of the country from

causes controlled by them. It cannot be expected that gentlemen whose education and previous associations have been more largely in connection with the study of the technical and legal aspects of questions, than of the practical application of principles to every-day business life, will be found at all times qualified to grasp the full measure of results that may flow from propositions brought before them in their legislative capacity; hence we find them in many instances, however honest and patriotic they may be, still surrounded by doubts as to duty, and not infrequently, although unwittingly, made the instruments of perpetrating wrongs upon the country of greater or less proportions, where only the purest of intentions influenced their actions. We would not seem to be instructors of such, but may perhaps be permitted, with becoming modesty, to suggest the results of our experience and observations in a form that will command such consideration as they may be entitled to receive, and secure for them even grateful recognition.

If, then, there is a field of usefulness in the broad domain of commercial ethics and political economy for an organization of the character of this Board, surely it becomes the merchants and business men of the country to cordially sustain, strengthen and perfect it, so that it may be rendered even more efficient, and more a necessity in the future than it has been in the past. It cannot be expected that all who participate in its counsels will be satisfied that its conclusions are always the wisest and best that may be reached: here, as in all assemblages, concessions of opinion must in some measure be made to counter opinion; but where all aim only at accomplishing the highest degree of good attainable, no serious diversity of views will stand in the way of harmony in our deliberation and action.

It has been suggested that some changes be made in the manner of conducting the meetings of the Board, the adoption of which would render necessary the modification of our constitution. These suggestions, so far as they have come to the knowledge of the Council, relate to the manner of voting, and to the times of holding the meetings of the Board. The main arguments in support of either of these propositions are those of an economical nature, it being held that if possible the constituent bodies ought to be relieved from the expense attendant upon sending large delegations in person to frequent meetings of the body, such meetings always involving considerable journeys from some

of the local organizations. The constitution of the Board, as it now stands, prohibits voting by proxy; and although, by a late amendment to Article VI, the place and time for holding the meetings are left subject to the order of the Executive Council, yet other portions of the constitution and by-laws seem to contemplate annual meetings. The provision relating to proxy voting was adopted after mature reflection, and with a view of obtaining the personal expression of each delegate in the light of the discussion had, and the possible changing of the nature or features of the question from its original form. Again, it was deemed unwise to permit voting by proxy because of the tendency of such a course to relieve delegates from personal attendance, thus weakening the interest in discussion, and depriving the Board of the counsels of delegates. The Council, after considering this question thus presented, and with due deference to the views of those who favor it, are not able to recommend its adoption, being convinced that the enactment of the prohibition was, for the reasons stated, wise and proper, and that those reasons still retain their original force. They, however, submit the subject to the consideration of the Board, for any action it may be inclined to take. On the other point suggested, namely, the distribution of meetings at longer intervals than annually, the Council would suggest that if such a course should be deemed wise, the necessary modifications of the Constitution and By-Laws to authorize such a change, be presented in proper form at the next meeting of the body, and that in case such a change be made, that the numbers of the Executive Council be enlarged, so that in its deliberations a more diversified and general representation may be had.

The Council are not unmindful of the fact that the activities of business life in this country in many instances precludes the possibility of such attention to matters of public concern as many of our business men recognize as worthy of concerted action on their part, and also that the widely extended area of territory that should properly be represented in gatherings of commercial men renders frequent assemblages somewhat both inconvenient and expensive; but notwithstanding these facts the Council cannot but deem the objects to be attained by such gatherings of sufficient importance to justify the means by which they may be accomplished.

Whatever may be the conclusions arrived at by the Board

touching the details of the conduct of its affairs, the Council would urge upon all delegates, and upon the constituent bodies which they represent, that this organization be maintained, and that its usefulness be made the constant care of all who share in its aims, as set forth in its constitution, which, briefly stated, are to promote the usefulness of the commercial organizations of the country; secure harmony of action in reference to commercial usages, customs and laws; and the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large. Such objects are well worthy our thoughtful regard, and if we may be instrumental in securing them, we shall find that they will tend greatly to benefit all the material interests of our highly favored and enlightened day and generation.

Respectfully submitted by order and on behalf of the Executive Council.

FREDERICK FRALEY, *President.*

CHAS. RANDOLPH, *Secretary.*

PHILADELPHIA, June 15, 1875.

The PRESIDENT: *Gentlemen*—The next business in order is the election of a President of the Board. I would call Vice President GROSVENOR, of Providence, to the chair, while the election is in progress.

Mr. GROSVENOR then took the chair as President, *pro tem.*

The PRESIDENT, *pro tem.*: *Gentlemen*—We are now ready to proceed to the election of President for the ensuing year. What is the pleasure of the Board?

Mr. HOLTON, of Milwaukee: Mr. Chairman, I beg to place in nomination for President, Mr. FREDERICK FRALEY. (Applause.)

The PRESIDENT, *pro tem.*: Mr. FRALEY is nominated; are there other names proposed?

Mr. THOMPSON, of Baltimore: I move that the nominations be closed.

Which was unanimously agreed to by vote.

The PRESIDENT, *pro tem.*: We will now have the Secretary read the article in regard to the mode of balloting for President.

The SECRETARY: It simply provides that all voting shall be *viva voce*, except for President and Vice Presidents, which shall be by ballot.

Mr. GROSVENOR, of St. Louis: I will inquire whether it would not be in order for the Board to authorize, say Mr. HOLTON, of Milwaukee, to cast its ballot for Mr. FRALEY, and I would make a motion to that effect?

Mr. HOW, of Chicago: That question has been submitted, I think, to every meeting of the Board; the Constitution clearly provides for the manner of voting.

Mr. SMITH, of Milwaukee: The Board has repeatedly held heretofore, that the election of President and Vice President must be by ballot; each delegate being entitled to a vote in person.

Mr. GROSVENOR: I withdraw the motion.

The PRESIDENT, *pro tem.*: The motion of the gentleman from Missouri is withdrawn.

Mr. SMITH, of Milwaukee: I move that two tellers be appointed, by the Chair, for the purpose of collecting the ballots of delegates.

The PRESIDENT, *pro tem.*: It is moved that two tellers be appointed to take the ballots; if there is no objection to that, I will appoint Mr. SMITH, of Milwaukee, and Mr. GROSVENOR, of St. Louis.

After the collection of the ballots, the President, *pro tem.*, announced the result, as reported by the tellers, as follows:

The whole number of votes cast, 47, of which Mr. FRALEY has 46, and Mr. E. D. HOLTON, 1. Mr. FREDERICK FRALEY is therefore reelected President for the ensuing year. (Applause.)

The PRESIDENT, *pro tem.*: The Chair will appoint Mr. HOLTON, of Milwaukee, and Mr. HINCKIN, of New York, to conduct the President to the Chair.

Mr. FRALEY was then conducted to the chair, and upon being introduced by the President, *pro tem.*, said:

I feel, gentlemen, that by your repeated marks of confidence in me, you more and more overwhelm me with a gratitude to which it is impossible to give expression. I have had so much honor conferred upon me by the members of this Board, and such repeated marks of their confidence and love, that, while I would not arrogantly appropriate to myself the possession of any merit which has influenced your choice, I yet feel that, in the course of my seven years' association with you, I must have made some impression upon the hearts of those with whom I have been associated so long, and that through their kindness I have been indebted for the unanimous votes of the newly elected members. I can only say, gentlemen, again, that I thank you most cordially for what you have done for me in this respect, and that, feeling as I have always felt from the year 1865, when the small corn from which this institution has grown, was planted, up to the present hour, a deep and abiding interest that the opinions and influences of this Board might make all the impression upon the public mind, and upon the legislative bodies of the country, both State and National, which the wisdom which I have recognized in your discussions, and the appropriate conclusions to which they have almost universally come, demanded at the hands of the public and the legislators; and I hope that upon the present occasion, whatever we may say here upon the great questions that agitate the day, will be said with our usual equanimity, and will be pressed upon those who only can give effect to those opinions by all the power which the individual members of this body, and of the constituent bodies which they represent, may command. I shall endeavor, gentlemen, while in the occupation of the chair, and in the discharge of the collateral duties that depend upon the President of the body—endeavor as I have endeavored in the past—to satisfy your reasonable expectations, and impartially and honorably perform my duty.

The next business in order is the election of Vice Presidents. For these officers each constituent body is entitled to make a nomination, and from the nominations so made fourteen gentlemen are to be chosen by ballot as Vice Presidents of the body, and to constitute, with the President, the Executive Council. Nominations are now in order.

The Secretary then called the roll of constituent bodies, upon which the following nominations were made:

*For the Baltimore Board of Trade*—SAMUEL P. THOMPSON.

*For the Baltimore Corn and Flour Exchange*—SAMUEL P. THOMPSON.

*For the Boston Board of Trade*—B. F. NOURSE.

*For the Chicago Board of Trade*—GEO. M. HOW.

*For the Cincinnati Chamber of Commerce*—S. F. COVINGTON.

*For the Detroit Board of Trade*—J. D. HAYES.

*For the Kansas City Board of Trade*—EDWARD H. ALLEN.

*For the Milwaukee Chamber of Commerce*—WM. E. SMITH.

*For the Mobile Board of Trade*—THOMAS H. PRICE.

*For the New York Chamber of Commerce*—GEORGE OPDYKE.

*For the New York Produce Exchange*—FRANKLIN EDSON.

*For the Philadelphia Commercial Exchange*—C. J. HOFFMAN.

*For the Portland Board of Trade*—T. C. HERSEY.

*For the Providence Board of Trade*—WILLIAM GROSVENOR.

*For the St. Louis Board of Trade*—WM. M. GROSVENOR.

Other bodies as called declined to make nominations, and some of the gentlemen named were proposed by delegates representing other bodies.

Mr. THOMPSON, of Baltimore: The fact that the Board has chosen to select a gentleman from the Philadelphia Board of Trade to preside over the deliberations of this body, has seemed to make that Board hesitate heretofore to make any nominations; but inasmuch as there are no delegates who, by their attention to all the requirements of this Board, by the interest that they take in it, who have shown more zeal in its cause, I take the liberty of nominating JOHN PRICE WETHERELL, of the Philadelphia Board of Trade.

The PRESIDENT: Are there any other nominations?

Mr. STRANAHAN: Mr. CHAIRMAN, I may be quite out of the line of duty, but it would be very pleasant if we had a unanimous

vote upon fourteen gentlemen as Vice Presidents of this organization. I suggest the propriety of the withdrawal of some one name, if there be such a name to which gentlemen are not very strongly attached, that we may have a unanimous vote.

Mr. PRICE, of Mobile: I did not desire or request my friend to put me in nomination, as Mobile is entirely willing to get as much benefit as possible, and let others share the honor. I would withdraw my name.

Mr. WETHERELL, of Philadelphia: I hope not. Philadelphia has the unusual honor of having two names as Vice President, and in addition to that the President of the Board. I thank my friend from Baltimore very much for the manner in which he mentioned my name, but I think Philadelphia ought to be a little modest; and to carry out that modesty that Philadelphia I am sure is ready to show, I would decline the nomination as Vice President.

Mr. HOLTON, of Milwaukee: My object in nominating the gentleman from Mobile was that we might have a representative of the extreme South in the Council. New Orleans has heretofore participated in the deliberations of this body, and been represented in the Council. We have had the pleasure of meeting eminent men from Richmond and other Southern cities also in the Council, but I believe there will be no representative in the Council south of Baltimore if you excuse the gentleman from Mobile. I hope the gentleman from Mobile will not be excused. I suggest that the declination of my friend Mr. WETHERELL be accepted, and that the number be thus eliminated to fourteen, and that Mr. STRANAHAN's proposition may be carried out. I certainly hope that the gentleman from Mobile will not be excused.

Mr. YOUNG, of Baltimore: Before this matter is disposed of I would ask whether it is not more important that we shall nominate men for Vice Presidents who can find it convenient to attend the meetings of the Executive Council than it is to have a unanimous vote upon fourteen names presented for our suffrages. I hope that none of these names will be withdrawn; but rather that more may be added, and in order to further that idea I would nominate my friend JAMES S. T. STRANAHAN, of New York.

Mr. STRANAHAN, of New York: After the remarks that have been made, Mr. PRESIDENT, I must positively decline, no matter

how it may inconvenience my friend from Baltimore. I move the nominations be closed.

Mr. ALLEN, of Philadelphia: I nominate Mr. J. T. HEALD, of Wilmington, as one of the Vice Presidents. We have two nominations from New York, and I would like to see it divided.

Mr. HAYES, of Detroit: I suppose the object in nominating an Executive Council of this Board is to get men who are pretty evenly divided over the different sections of the country, for the purpose of bringing their experience, and the peculiar necessities of the country, before the Board. I should be glad to nominate Mr. PARSONS, of Detroit, because he is from a part of the country in which one of the most important questions that will come before this body, will be interested; and, if it is in order, I should like to have some gentleman from Buffalo substituted in my place.

The PRESIDENT: That would not be in order, as Buffalo has not sent us any delegation. They may be here to-morrow, but we have no advice from them. In regard to this matter of declining nominations, it will be for the members of the Board, when they come to vote, to consider whether they will accept those declinations or not.

Mr. STRANAHAN has moved that the nominations be closed. If the Board is ready to act on that, I will put the question.

Mr. ALLEN, of Kansas City: I think that motion was made before my name was presented; and, besides that, I think it would be better to be unanimous, and I therefore would rather decline. I am very much obliged to my friend Mr. ALLEN, of Philadelphia, for nominating me, but I would rather decline.

The PRESIDENT: The members of the Board understand the view as presented by Mr. STRANAHAN; it is within their volition, they can carry it out if they see fit. The present question is upon the closing of nominations.

The motion to close the nominations was then voted upon and unanimously agreed to.

The Secretary then read the list of nominations, as follows: S. P. THOMPSON, of Baltimore; B. F. NOURSE,

of Boston; S. F. COVINGTON, of Cincinnati; GEORGE M. HOW, of Chicago; J. D. HAYES, of Detroit; EDWARD H. ALLEN, of Kansas City; WILLIAM E. SMITH, of Milwaukee; THOMAS H. PRICE, of Mobile; GEORGE OPDYKE, of New York; FRANKLIN EDSON, of New York; C. J. HOFFMAN, of Philadelphia; T. C. HERSEY, of Portland; WILLIAM GROSVENOR, of Providence; W. M. GROSVENOR, of St. Louis; J. PRICE WETHERELL, of Philadelphia; J. T. HEALD, of Wilmington; J. S. T. STRANAHAN, of New York.

Mr. STRANAHAN, of New York: Mr. Chairman, I hope my name will not be used. I hope we may vote for fourteen gentlemen only.

Mr. WETHERELL, of Philadelphia: I hope that my name will not be used. I decline the nomination, and would be very much obliged to my friends in the Board if they would not vote for me.

The motion to proceed with the ballot was then voted upon and agreed to.

The PRESIDENT: I will nominate Mr. BAYARD, of Baltimore, and Mr. LINDBLOM, of Milwaukee, as tellers.

Mr. HOW, of Chicago: While the vote is being taken I would suggest that the usual Committee on Credentials be appointed. I understand there are some credentials here from organizations that are applicants for admission to membership.

The PRESIDENT: I was about to do that, and would nominate, as a Committee on Credentials, Messrs. BOYNTON, of New York; YOUNG, of Baltimore; MURISON, of Chicago; HEALD, of Wilmington; and ALLEN, of Philadelphia. To this committee applications for membership in the Board will be referred, and under the rule they have liberty to sit during the session of the Board, and to report at any time.

The SECRETARY: There are applications for admission from the Board of Trade of the city of New York, the Cheap Transportation Association of New York, and the Board of Trade of Scranton, Pa.

The PRESIDENT: These applications will go to the committee, and the gentlemen representing those bodies will have an opportunity, in case of any imperfection of their applications, to be heard by the committee.

Mr. YOUNG, of Baltimore: I would like to ask whether an amendment to the Constitution or By-laws, or the offering of an amendment to the Constitution or By-laws, would now be in order?

The PRESIDENT: It is in order to read it, and then it may be referred to the Executive Council.

Mr. YOUNG: I desire to propose that the number of Vice Presidents be increased from fourteen to twenty, for the reason that I know, from those who have been Vice Presidents or members of the Executive Council, that it has always been very difficult to secure a full attendance. The feeling here seems to be to have as much equanimity of sentiment as possible in the election of Vice Presidents.

By courtesy gentlemen have been nominated from the different Boards merely that those Boards might have representation. It seems to me entirely unreasonable to suppose that gentlemen who live a thousand or fifteen hundred miles distant from the place of meeting of this Executive Council, can be expected to attend those meetings, and therefore I think that if the number is increased from fourteen to twenty, the difficulty would be obviated to a very great extent; and I therefore present that proposition.

The PRESIDENT: The matter will be referred to the Executive Council.

There are some communications of courtesy upon the table, which the Secretary will read. The first one is from the Associated Chambers of Commerce of Great Britain.

The SECRETARY: I will premise by saying that this communication was received in connection with the reports of the meeting of the Association of Chambers of Commerce of the United Kingdom, which were distributed upon your desks this morning, to the extent of the supply.

The communication is as follows:

ASSOCIATION OF CHAMBERS OF COMMERCE  
OF THE UNITED KINGDOM.

*London, May 14, 1875.*

*Dear Sir,*—By direction of the Executive Council, I forward you forty copies of our Annual Report, for distribution among your Boards of Trade.

Our Autumnal Meeting will take place at Leeds on the 28th and 29th September. The Dominion Board of Trade intend to send representatives to that meeting, and the Council would be glad if any representatives attended the meeting from your Association.

Yours Truly,

JAMES HOLE.

*The Secretary National Board of Trade.*

The PRESIDENT: What order will the Board take upon this?

Mr. WETHERELL, of Philadelphia: I would move that the thanks of this body be tendered to the Association of Chambers of Commerce for their courtesy in supplying us with the report of their annual meeting of September last, and also that we elect a delegate to represent us at the meeting of that body next fall. The Hon. Mr. HOLTON, a distinguished member of this body from Milwaukee, I understand, will be abroad during the larger part of next year. I do not doubt that he would be very happy to represent this body, and I know of no one better qualified to do so. I therefore move that the Hon. E. D. HOLTON, of Milwaukee, be selected as our delegate to represent this body at the next annual meeting of the Chambers at Leeds.

Mr. SMITH, of Milwaukee: I rise to second the motion most heartily. Mr. HOLTON expects to sail for Europe next week, and I hope that he may be able to attend that meeting.

The PRESIDENT: Mr. WETHERELL makes two propositions; the first, that the thanks of this body be tendered to the Association of Chambers of Commerce of the United Kingdom for supplying us with copies of the report of their proceedings.

This proposition was put and unanimously agreed to.

The PRESIDENT: The next proposition is that the Hon. E. D. HOLTON, of Milwaukee, be selected as a delegate of this body to represent it at the meeting of the Association of Chambers of Commerce of the United Kingdom, on the 28th and 29th of September next, at Leeds, England.

The motion was unanimously agreed to.

Mr. HOLTON, of Milwaukee: I heartily thank the Board for the honor it has conferred upon me. As it is something I had not anticipated, it will, probably, cause me to modify the course I had marked out for my journey. If it is possible for me to do so, it will be my pleasure to represent this body. If not, I will give notice before the close of this meeting, so that another delegate may be selected.

A communication from the Union League, inviting the members of the Board to visit and make use of the Union League House during their stay in Philadelphia, was then read.

Mr. SMITH, of Milwaukee: I move that the grateful acknowledgment of this Board be extended to the Union League for their courtesy.

Unanimously agreed to.

A communication from the Reform Club tendering to the members of the Board the privileges of their Club-House for the period of two weeks was also presented and read.

Mr. STRANAHAN, of New York: I move its acceptance, with the thanks of the Board.

Unanimously agreed to.

The Secretary then read a communication from J. MORRIS PEROT, President of the Mercantile Library Company of Philadelphia, extending to the members of the Board an invitation to visit the library rooms, to make such use of the books and periodicals there as may be convenient and practicable.

Mr. STRANAHAN, of New York: I move its acceptance with thanks.

Unanimously agreed to.

A communication was also read from ALFRED R. POTTER, Grand Master of the Grand Lodge of Pennsyl-

vania, inviting the members of the Board to visit the Masonic Temple during their stay in Philadelphia, and desiring its formal acceptance that proper arrangements might be made.

The PRESIDENT: What order will the Board take upon this?

Mr. COVINGTON, of Cincinnati: I move that the invitation be accepted, and that a committee be appointed by the Chair to notify the Grand Master when this body can accept their invitation.

Unanimously agreed to.

The PRESIDENT: I will appoint Mr. COVINGTON, and ask him to name his colleague for this committee.

Mr. COVINGTON: I will nominate Mr. JEFFRIES, of this city, to act as my associate.

The Secretary then read a communication from WILLIAM BROOKIE, President of the Maritime Exchange, inviting the members of the Board to an excursion on the Delaware River, on Friday, June 18.

Mr. THURBER, of New York: I move that the invitation be accepted with thanks.

Unanimously agreed to.

The PRESIDENT: Reports of committees will now be in order. I have laid upon the table a report upon Transportation, which the Executive Council desire me to present. Is it your pleasure that it should be read?

Mr. SMITH, of Milwaukee: I move that the reading of this report be dispensed with.

Mr. GROSVENOR, of St. Louis: I would suggest whether it would not be proper to make it the order of business for consideration at some named hour.

The PRESIDENT: There is a proposition on the programme in reference to transportation, and it would, perhaps, be an ap-

propriate time to consider it when that is reached. The motion is that the reading of this report may be dispensed with.

The motion was agreed to.

The PRESIDENT: The next is a communication from Mr. NOURSE, of Boston, on Savings Banks and Savings Funds Institutions. Is it the pleasure of the Board that this report should be read?

Mr. THOMPSON, of Baltimore: I move that the reading of that report be postponed until the subject of Savings Banks comes up in regular order on the programme.

Mr. GROSVENOR, of St. Louis: Would it not be proper to have the report printed in advance, so that it may be in the hands of members?

Mr. THOMPSON: I accept that as an addition to the motion.

The motion was concurred in.

The PRESIDENT: At this time it may be proper to fix proper hours for the daily sessions of the Board.

Mr. How, of Chicago: I move that when the Board adjourns, it adjourn to meet to-morrow morning at ten o'clock; and that the daily sessions of the Board be from ten to four.

Unanimously adopted.

The PRESIDENT: The resolution is agreed to. The sessions of the Board will therefore be from ten o'clock in the morning until four o'clock in the afternoon, unless otherwise ordered.

Mr. WETHERELL, of Philadelphia: I should like to announce, on the part of the Commercial Exchange of Philadelphia, and the Philadelphia Board of Trade, that they extend an invitation to the members of the National Board to a banquet, to be held on the 17th of June, at four o'clock. It is the purpose of the two delegations to take the members of this body to the Centennial Grounds, where they will have an opportunity of thoroughly seeing and looking around the Centennial Buildings, so as to see what progress has been made in that direction; and afterwards the two bodies propose to entertain the Board at a banquet at four o'clock.

Mr. HOLTON, of Milwaukee: I understand Mr. WETHERELL to extend an invitation to the body to visit, on Thursday afternoon, the Centennial Grounds and Park of this city. I move that this invitation be accepted, and that it shall become, as much as possible, the duty of every member to be present. I hope that the invitation to which your attention has been called may not be a fruitless one, in regard to this great movement that is to occur next year; that we shall each in our turn do something in our several localities to promote and help forward this great matter. Too much has been left to Pennsylvania and Philadelphia in bringing about this Grand National Enterprise, and the National Board, I trust, will accept not only the invitation, but will consider themselves elected to be promoters, in every possible way, of this great undertaking, particularly, in a financial way, within our several localities, when we shall have gone home and moved in the spheres of influence that we there occupy. And while so many of these delightful invitations are coming to us, and while we should be chary of the use of our time for them, and must be careful about that, all, I believe, have been accepted; now let us go, at our individual convenience, to others; but, in this case we shall have not only the pleasure of visiting these magnificent grounds that Philadelphia has procured for herself, but shall be enabled to see these huge structures which I understand are now in a far advanced stage of construction, and thus inform ourselves by personal observation of what is the magnificent and grand conception that is to be thrown before the American people next year, to illustrate the hundred years of her national life. I move the acceptance of the invitation.

Unanimously agreed to.

Mr. How, of Chicago: *Mr. President*, I notice in the proceedings of the Board at Baltimore that Mr. MEISSNER, of New York, offered a series of resolutions in regard to bills of lading. At the time those resolutions were introduced, they were referred to the Executive Council, and I do not see that there has been any action taken by the Council upon them. I would ask if those resolutions can be considered by the Board at this meeting.

The PRESIDENT: My recollection in regard to that matter is, that when the paper came before the Executive Council for consideration, it was thought best to defer its consideration until we

could have a further explanation of Mr. MEISSNER's views upon the subject.

Mr. How: Then do I understand they can be presented at this meeting of the Board?

The PRESIDENT: They could be presented at this meeting of the Board with the consent of two-thirds.

Mr. MEISSNER, of New York: In New York this question has been taken up, and a new set of forms of bills of lading was brought before the New York Produce Exchange, and I believe they have been approved. In that bill of lading this clause has been inserted: The bills of lading should be designated as "original," "duplicate," "shipper's copy not negotiable," and "captain's copy not negotiable."

I was not prepared to see this question come up again before this Board; but as it has, we must send to New York and get a complete set of our bills of lading, and we can bring the question up again probably day after to-morrow.

Mr. How: It is a very important subject—one in which we are all interested—and I hope that the matter will be brought up at this session of the Board.

The PRESIDENT: I understood the remark of Mr. MEISSNER to be in the nature of a notice.

Mr. PEDDIE, of Newark: If in order, I should like to offer a resolution, as follows:

*Resolved*, That Delegates be allowed to present resolutions, after submitting them to the proper committee for their approval, provided they are offered at such times as not to interfere with the regular programme of the Board.

If this resolution is in order, I should like very much to have it adopted.

The PRESIDENT: This resolution, under our by-laws, must go to the Executive Council, or if entertained now it must be by a two-thirds vote. The Committee on Credentials appear to be ready to report.

Mr. BOYNTON, of New York: The credentials of the New York Cheap Transportation Association are approved. A copy of their charter is not before us, but they propose to furnish one

at an early day. The credentials of the Scranton Board of Trade are correct. Article II, Section 1, of our Constitution, says: "Each such association having fifty members who have the right to vote therein shall be entitled to one delegate;" which seems to imply that it requires fifty members to constitute an organization entitled to membership in this body. The Scranton Board of Trade report forty-three members, and we beg to refer the question of their admission to the full Board for direction. The question of the admission of the New York Board of Trade we request to be left in our hands for further consideration.

The PRESIDENT: The report of the Committee on Credentials is before you, and I understand they recommend the admission of the New York Cheap Transportation Association. This is a privileged question and comes up at once. It requires the concurrence of two-thirds, I think.

Mr. How: I move the acceptance of the report.

The proposition to admit to membership the New York Cheap Transportation Association was then put by the Chair, and unanimously agreed to.

The PRESIDENT: Now the proposition in reference to the Board of Trade of Scranton. The credentials and everything else have been found satisfactory, except that the question has arisen as to the number of members, the Constitution providing that associations of fifty members may be admitted. The Committee on Credentials request an opinion whether a body of forty-three members can be admitted to membership. That question is before you.

Mr. BOYNTON: I will move that that body be allowed to become a member of this association.

Mr. HOLTON, of Milwaukee: I will thank the President to read and construe the Constitution and By-Laws before putting that to vote.

Secretary then read Article II, of the Constitution.

The PRESIDENT: It says that each association having fifty members may have a single representative. I think, by the consent of the requisite number, this body might be admitted. The limitation of fifty is for their representation.

The question of admitting the Scranton Board as a constituent body, and also as to the right of representation by it on the floor of the National Board, was discussed at considerable length, several delegates participating, all being inclined to accord the fullest privileges consistent with a strict observance of constitutional provisions; finally, on motion of Mr. STRANAHAN, of New York, and with the concurrence of Mr. FULLER, in behalf of the Scanton Board, it was voted unanimously that the body be admitted as a constituent member of the National Board of Trade, and that its delegate, Mr. GEORGE A. FULLER, be admitted to a seat, with the privilege of speaking, but not of voting.

The tellers having completed their canvass of votes, the Secretary read the report of the result of balloting for Vice Presidents, as follows:

|                                    |    |
|------------------------------------|----|
| W. E. Smith, Milwaukee.....        | 46 |
| S. P. Thompson, Baltimore.....     | 45 |
| S. F. Covington, Cincinnati.....   | 45 |
| George M. How, Chicago.....        | 45 |
| J. D. Hayes, Detroit.....          | 45 |
| B. F. Nourse, Boston.....          | 44 |
| C. J. Hoffman, Philadelphia.....   | 44 |
| T. C. Hersey, Portland.....        | 44 |
| T. H. Price, Mobile.....           | 40 |
| William Grosvenor, Providence..... | 40 |
| Franklin Edson, New York.....      | 38 |
| W. M. Grosvenor, St. Louis.....    | 38 |
| Edward H. Allen, Kansas City.....  | 36 |
| George Opdyke, New York.....       | 34 |
| J. T. Heald, Wilmington.....       | 26 |
| J. P. Wetherell, Philadelphia..... | 16 |
| J. S. T. Stranahan, New York.....  | 3  |

The PRESIDENT: The gentlemen elected are Messrs. S. P. THOMPSON, B. F. NOURSE, S. F. COVINGTON, GEORGE M. HOW, J. D. HAYES, E. H. ALLEN, WILLIAM E. SMITH, T. H. PRICE, GEORGE OPDYKE, FRANKLIN EDSON, C. J. HOFFMAN, T. C. HERSEY, WILLIAM GROSVENOR, W. M. GROSVENOR.

Those gentlemen will be your Vice Presidents for the next year.

The next business in order will be taking up the regular programme. The first proposition on the programme will be read.

The proposition was then read, as follows :

*Resolved*, That the Board reaffirms its conviction that all capitation taxes collected from or upon immigrants, whether imposed directly or indirectly, with or without color of law, are unjust and odious, and ought to be abolished.

The PRESIDENT: That resolution is before the Board.

Mr. SMITH, of Milwaukee: I do not rise to discuss this proposition at this time, but noticing that it is submitted by the Executive Council, I conclude that it originally must have been introduced by one of the constituent bodies, and the probability is that the body proposing this resolution is prepared to discuss it and assign reasons in favor of its adoption.

The PRESIDENT: The proposition, I think, came from one of the Boston Boards, either the Exchange or Board of Trade. It had reference to taxes upon immigrants made by the municipal authorities of the cities of New York, Philadelphia, Boston, and elsewhere. Finally they abolished that practically in Boston, but I think they have it still in existence — but, probably, in a modified form — both in New York and Philadelphia, and how far they have it in other commercial cities I am not able to state. It has been supposed, as these immigrants generally stay but a few hours in any seaport, that it is unjust for them to pay taxes to the local authorities when their permanent residences will be in other parts of the nation, and they reach those residences almost as rapidly as the bird flies.

Mr. BAYARD, of Baltimore: I observe that the language of this resolution is in the nature of a re-affirmation, which presupposes that action has already been had upon the subject of the resolution. I rise to inquire what affirmation has been made which preceded the emphatic proposition which this resolution embodies. As it comes from the Executive Council, perhaps it is proper to call upon the Chair to give that information.

The PRESIDENT: According to my recollection, the former action of the Board was this: At a previous meeting the Board passed resolutions favoring the abolition of this tax, and the Executive Council were directed to send a memorial to the several States upon the subject. Those memorials were sent, but have,

I believe in many instances, yielded no fruit, and it is the object of this resolution to reaffirm the action of the Board.

Mr. YOUNG, of Baltimore: Now this proposition, if construed literally, would constitute the acts of the city of Baltimore as a great public offense: I cannot think I have been sent here to traduce her character, nor am I willing to admit that she is unjust or odious in the exactions which she imposes upon anyone. The question at the first glance may seem very plain, and to admit of only one answer; but it is very probable that not many comprehend it in all its bearings, unless it may be residents of seaboard cities, who know just why the tax is imposed and the purposes to which its revenue is applied. I am perfectly willing to admit that taxes of all kinds, in these latter days, are burdensome, and, as we have already had about as much of them as we can bear with complacency, sensitiveness on that subject is not unusual nor is it unexpected. But we in Baltimore do not regard this impost duty upon immigrants in the light of a tax, for it is not paid into the public treasury for any purpose whatever. We regard it rather in the light of indemnity against expenses which always have been entailed upon us, and probably always will be, by that class of immigrants who lay behind that better class who seek homes in the west and northwest. Our manner of regulating this matter is about this: we require vessel owners to give bond that immigrants landed by them shall not become public paupers, and that they shall be able to maintain themselves for a time which is specified, or in lieu of that they may commute by paying one dollar and a half for each passenger landed. Now I take it that in the more ordinary application of this proposition there is no hardship in exacting that bond from the agent or owner of the vessel. Our manner of disposing of this fund is about this: one-fifth of it goes to the Marine Hospital, two-fifths to the German Society, and the remaining two-fifths to the Hibernian Society. The disposition of this fund is left entirely to their discretion in caring for the sick, indigent, and helpless of their own countrymen who have been left there. I would not have you think that this fund is sufficient to defray all the expenses to which these societies are subjected, even in their limited field of operation. Much more is added by private contribution, and the city in its corporate capacity is occasionally called upon to make special provision. This is our practice in

Baltimore, and I cannot admit that that practice is odious or unjust. Let me say this much further in defense of the policy. Some time ago the Legislature of Maryland proposed putting a State tax of two dollars a head on each immigrant landing from a vessel. Our mercantile community were at once thoroughly aroused, and they took such steps to defeat the bill that it was never called up for a second reading.

I hope that this will suffice to show that there is no mercenary motive which prompts us in collecting this impost duty of one dollar and fifty cents from each immigrant who lands in our city.

Mr. HINCKEN, of New York: New York, as you all know, is a large depot of immigration. I admit, as the gentleman says, that it is necessary for the protection of a seaboard city, and for the protection of those immigrants that may be left behind, that there should be some funds to aid them in their hour of distress. The State of New York has a Board of Commissioners of Immigration. The tax, if I recollect right, is now a dollar and a half (it was two dollars) per head. Under the direction of that Board all the disbursements are made. Under the laws of the State of New York, if an immigrant passenger has been in the country less than five or six years, and becomes a public charge in an interior county, his maintenance is charged to the city and county of New York. By that means you will notice in the report of the Commissioners of Immigration, although a large tax is collected out of the ship-owners in New York, yet large sums are expended in interior cities to relieve the interior cities of the expense which the immigrants landing at New York have entailed upon them. I say the City of New York collects this tax by these Commissioners of Immigration, a tax that rises to between six and seven hundred thousand dollars a year. I very much regret that I have not the exact figures, so that I could state them exactly, but I am speaking approximately, according to my recollection. Now the City of New York consented that we should sign bonds for the support of these immigrant passengers. Not being in favor of the bond, we made a bargain with certain capitalists of New York to sign those bonds for us. In lieu of the owners of these ships signing those bonds we paid those parties a dollar a head to sign those bonds for us. I am citing these facts to show the necessity for a tax. At that time we supported the passengers for but two years. Now, under the law of the State of New York, we are

compelled to support them for five. Five years after they land, if they become a charge on the county, they then come upon the ship-owner who has not paid the tax. Perchance he has paid the tax upon four hundred and fifty, and on fifty he has been compelled to bond.

Under the regulation, which we had for two years, we found that the actual expense of supporting these passengers for two years was forty cents a head. The other sixty cents, it seems, was a bonus for the men who signed the bond. Although I am not in favor of a resolution that it should be free, still, I think we might properly suggest some modification. My duty to the seaboard cities where this immigration lands, as in Baltimore, New York and Philadelphia, leads me to believe that our resolution here is wrong. As business men, I think we should not entail upon the seaport cities the enormous tax which the immigration brings upon them. I admit that in New York there is an enormous extravagance; that where the Committees of Charity and Correction spend eighty or ninety thousand dollars a year in salaries, and where the Commissioners of Immigration, by the last account I examined, also paid eighty thousand dollars in salaries, they have all they can carry. There is not a ship that goes out but what the ship-owners contribute in addition to this, day after day and week after week, free passages to carry passengers back to their native land. I am opposed to making these port charges free; but I do believe that it is within the range of this Board to say that an excessive amount is injurious, not only to the county but to the ship-owner. I am opposed to this measure as it now stands, because I conceive that the seaport cities are entitled to some protection against this class of people who come on their charity. I regret that Mr. BOYNTON is not here. I have occupied more time than I intended in the hope that he would make his appearance, for he is much better posted on that than I am.

Mr. STRANAHAN, of New York: This proposition comes from Boston?

The PRESIDENT: I think it came from Boston.

Mr. STRANAHAN: There seems to be no Boston gentleman present. I suggest the propriety,—indeed I make the motion,—that the matter lie on the table, as there seems to be but few of the friends of the proposition present. I am sure I am very much

opposed to it, and feel convinced that it is wrong. I move that we lay it on the table.

The motion to lay on the table was agreed to, by a vote of thirty-four to five.

The PRESIDENT: The next proposition is from the Mobile Board of Trade.

The Secretary then read the proposition, as follows:

WHEREAS, Internal improvements are now made spasmodically, and in great waste of the public money, therefore,

*Resolved*, That Congress be memorialized to establish a Bureau of Internal Improvement, analogous to the Coast Survey, to make preliminary surveys, and suggest a comprehensive and thorough system of improvement.

Mr. PRICE, of Mobile: Perhaps I may be expected to make some remarks on this proposition, coming from our Board of Trade. I noticed in the published report of the proceedings at Chicago, that our former representative, Mr. BROMBERG, made the following remarks on this proposition: He said that all we had in view in Mobile in presenting the proposition was to call the attention of the country to the manner in which such an internal improvement could be carried on, and to lay the foundation for a change.

We never thought of taking power away from Congress.

So far as the recital leading to that resolution is concerned, and so far as the explanation given by Mr. BROMBERG, who presented it to this Board, is concerned, I feel authorized to say, as coming from our Board, that we fully indorse it, but there are some things in that resolution which I believe our Board, and I am very sure that I, do not individually indorse. There seems to have been some discussion on that question, and on other german questions at Chicago and other places, by this Board, touching the question of the power of Congress. I do not propose to enter into that now, but I do think, and it is the opinion of our Board, that the power and usefulness of this organization must grow out of the wisdom of its resolves and its acts. They should be characterized by proper prudence, and they exist in their strength in the exact proportion that we represent the intelligence of the business interests of the country. We should not directly or indirectly intimate to Congress, the chief law-giving

power of the land, any disposition to interfere with that which properly belongs to the functions of that body; and whether or not it would be advisable, simply regarding ourselves as advisers, a representative body of citizens, to advise Congress what particular course to take in regard to internal improvements, which, in itself, is a question very much mooted in this country, and which has at least two sides, the pro and con of which are maintained with considerable strength in all the different States, to wit, the question of the power of Congress to make internal improvements, and how far it extends. It is a question whether this resolution, broadly as it is put, might not endorse the proposition that Congress has the power to enter into the general system of internal improvements, and thereby make it advisable to organize a bureau of internal improvement. I believe the sense of our Board is that we have about enough bureaus now, considering their power and cost to the people in taxes. I had an interview with Mr. BROMBERG upon this very subject, because I knew it would come in, and I desired to know what his real purpose was in offering it, and with his explanation I was somewhat better satisfied. He called my attention to the fact, as an existing one, that the Congress of the United States, whether there was power or no power, was progressing in that direction; that here and there were local interests which had got the attention of Congress, and they were spending thousands, yea hundreds of thousands and millions of dollars, on isolated points that perhaps had no general national character, and he had conceived the idea that if we could so draw the attention of Congress by the action of this Board as to call up before the country the abuse in that direction, it might do some good, and might concentrate what was being done for internal improvements at such points and on such enterprises as would redound to the general good of the whole people of the United States.

The justice of that struck my mind as having some force. I know of some improvements myself in different parts of the country that seem to me to be almost purely local, upon which large sums of government money have been spent. But to the point as to whether this Board should pass a resolution recommending that Congress should move in that particular line, is doubtful ground to my mind. I doubt very much, strictly speaking, the power of Congress or the propriety in many instances of this sort of internal improvements going on in our country.

Now, sir, I don't wish, and our Board don't wish, to make any expression in this regard which would commit us to the proposition, even remotely, that Congress has that power.\* We have some axes to grind, and we have some interests to promote, and while these things are going on, and the people's money is being expended, if we can convince Congress and the people that something ought to be done which would be of equal benefit to the people of this country, and at the same time benefit us, we want to get our portion, but we don't want to see this Board, as long as we are a member of it, indorse the proposition that Congress has the power to make internal improvements generally. Therefore, having said this much on the proposition, I cannot ask the Board to pass it in its present shape, but I will adopt the recital or the whereas, which precedes the resolution, and then I offer a substitute for the resolution as it now stands. My substitute will read as follows:

*Resolved*, That in the opinion of the National Board of Trade, all internal improvements made by the Government of the United States should be strictly national in character, and not otherwise, and should be made in the order of their importance to the people of the whole Union.

I offer that as a substitute for the resolution as it now stands. I am contented, and our Board is content, to take our chances as these public improvements are being entered upon by the General Government. In presenting a project that we feel a particular interest in to Congress, to get our portion of the money while it is going, I undertake to vouch for our Board that we have no desire, nor would we present any proposition to the National Board for its indorsement, which has not in it the predominant element of the general good of the whole people of this Union.

The PRESIDENT: The gentleman from Mobile moves to amend the resolution by striking out all after the word "Resolved" and inserting what he has read. The proposition is open for debate.

Mr. EGGLESTON, of Cincinnati: As the time has arrived which we fixed as the hour of adjournment, I will move that we now adjourn, and I will make some remarks on this subject when we meet again.

The motion was agreed to, and the Board adjourned to meet on Wednesday, June 16, at ten o'clock A. M.

## SECOND DAY,

WEDNESDAY, JUNE 16, 1875.

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The Board met at ten o'clock, the President in the Chair.

The PRESIDENT: Owing to some error in the acceptance of the invitation, the clergyman who was invited to open our proceedings this morning with prayer, is not present. We will therefore have to rely upon our own private devotions for help from above.

I have the pleasure of announcing to you, gentlemen, that WILLIAM J. PATTERSON, Esq., of Montreal, is present with us to-day, as a representative from the Dominion Board of Trade. I would ask Mr. Vice President SMITH to present him to you, and conduct him to the platform.

Mr. SMITH, of Milwaukee: I move you that Mr. PATTERSON be invited to a seat on this floor, and that he be requested to participate in such of the discussions before the Board as may be agreeable to him.

Unanimously agreed to.

Mr. PATTERSON was then conducted to the platform by Mr. SMITH.

The PRESIDENT: I have the pleasure, gentlemen, of presenting to you Mr. PATTERSON, of Montreal.

Mr. PATTERSON: *Mr. President and Gentlemen of the National Board of Trade*,—I am very happy to be present with you. I regret, however, that my personal pleasure is alloyed somewhat by the fact that we have been unable, from circumstances over which we had no control, to send such a delegation to you as we had certainly and very cordially desired. Our desire has ever been to reciprocate the kindly feelings and the warm welcomes and hospitalities that have always been accorded to the repre-

sentatives of the Dominion Board of Trade. On this occasion, however, let me remark, sir, that our season of business was late in commencing, and your invitation found us in all the hurry of arrangements incident to that late season. Had it been in the autumn, as formerly, I have no doubt that quite a number would have been present, and, as on former occasions, shown how much they appreciate your efforts in the cause of reciprocal commercial relations between the two countries. I may be allowed to say, personally, that I feel very much as Mr. Spurgeon said one of his deacons, or one of his church members, felt on an occasion when he asked to be put somewhere to do something. "Why," said Spurgeon, "if you wait to be put anywhere, you will feel, if I understand anything, like a round man put into a square hole ; and you will drop out of it." I feel very much, in standing before you, like that round man in the square hole. I do not expect, however, to take part in the debate, but to listen attentively to your discussions, and return to Montreal carrying with me the good wishes of this Board to the Dominion Board of Trade.

The PRESIDENT: The Secretary will read the proceedings of yesterday.

Mr. GROSVENOR, of St. Louis: I move that the reading of the journal be dispensed with.

Unanimously agreed to.

Mr. How, of Chicago: We have with us to-day Mr. R. S. SWORDS, of Newark, New Jersey, who has on several occasions acted as Assistant Secretary of the Board, and I move that he be requested to act as such during the present sessions.

The motion was unanimously agreed to.

The PRESIDENT: I have the pleasure of announcing to you that at the meeting of the Executive Council held last evening, Mr. CHARLES RANDOLPH was unanimously re-elected Secretary and Treasurer of the Board for the ensuing year.

I have also to report that upon an examination of the resolution offered by Mr. PEDDIE, of Newark, yesterday, it is found that the provisions of that resolution are already provided for by the Constitution and By-Laws of the Board. Resolutions of the kind

suggested by Mr. PEDDIE can be offered at any time when the business of the Board is open for new offers, or by a suspension of the rules on a vote of two-thirds, and if Mr. PEDDIE has anything which he deems of importance to bring forward he can of course bring it forward under the existing rule. In regard to the proposition made by Mr. YOUNG, of Baltimore, for the amendment of the Constitution so as to increase the number of Vice Presidents, the Constitution provides a special mode for its own amendment. No other mode is prescribed than a proposition from a constituent body, and there is no provision of the Constitution which would permit the introduction of an amendment to the Constitution in any other form. The Baltimore Exchange, or any other constituent body may, previous to the next meeting of the Board, make a proposition for the increase of the number of Vice Presidents, or for any other amendment to the Constitution which experience may suggest as being useful and desirable.

There are some communications to be referred to the Committee on Credentials.

The SECRETARY: Application for admission to the body from the Board of Trade of Davenport, Ia.; also communications from the Board of Trade of Buffalo, N. Y.; Oswego Board of Trade; the Board of Trade of Salem, Mass.; the Merchants' Exchange of St. Louis; and the Board of Trade of Cincinnati,—all to be referred to Committee on Credentials.

The PRESIDENT: They will be referred to Committee on Credentials.

The Secretary then read a communication from the Commercial Exchange of Philadelphia, inviting the Board to visit their rooms.

On motion, the invitation was accepted, and the thanks of the Board tendered therefor.

The PRESIDENT: I have a communication from Moss & Co., addressed to the Board, upon a subject which the writers deem of vast importance to the country, something which may tend to diminish the risk by fire. It is not very long. The Secretary will read it.

The Secretary read the communication, which proved to be in the nature of an advertisement for a newly invented match.

Mr. HENRY: I move that communication be referred to the Committee on Matches.

The PRESIDENT: There is no such committee.

Mr. HENRY: Then I shall move to lay it on the table.

Mr. HOW: Our friend Mr. COVINGTON is in the insurance business, I move it be referred to him.

Mr. COVINGTON, of Cincinnati: When that communication first started out I really hoped there was something of value in it. I hoped that it referred especially to the recommendation of the Commissioner of Insurance of the State of New York, in regard to the careless and loose manner in which the policies of this day are written. I think it would be well enough, if during this session time is afforded, to really pay some attention to the destruction of property in this country, which amounts now to more than one hundred thousand dollars daily. The subject is a very important one, and if this Board has any time to give the subject consideration it is well worthy of its attention. I do not think we could engage in better work. I renew the motion to lay this communication on the table.

The motion was unanimously adopted.

The PRESIDENT: A communication from the United States Shipping Commissioner in regard to a proposition that is upon the programme relative to part of the duties of his office. I will however suggest that the reading of it be suspended until the subject comes before the Board.

The reading was so postponed.

The PRESIDENT: The next business in order would be reports of committees.

Mr. COVINGTON, of Cincinnati: The committee appointed yesterday in relation to a visit to the Masonic Temple are ready to report. The Grand Master of the Grand Lodge of the State of Pennsylvania requests that this body visit the Temple to-morrow

morning at 9 o'clock. The hall will be open during the hour from 9 until 10, or as long as members of this body may see fit to be present. The hall is about four squares distant. We can assure the members of the Board that they will see the finest Masonic hall in the world, and one worthy of a quarter or half an hour's examination. We recommend that delegates meet here at a quarter before 9 to-morrow morning, and visit the Masonic Temple before the regular meeting of the Board.

Mr. HENRY: I move that the recommendation of the committee be adopted.

The motion was concurred in.

The PRESIDENT: The further consideration of Proposition No. 2 upon the programme from the Board of Trade of Mobile is now in order. Mr. EGGLESTON, of Ohio, is entitled to the floor upon it.

Mr. EGGLESTON, of Cincinnati: Perhaps I ought to make an apology for making any remarks upon this subject. This is the first time, I think, that I have had the honor of appearing in a body of this kind as a delegate. I take it for granted that the object of this organization is to try to better the condition of the commercial interests of our great country. I have no speech particularly to make upon this proposition. It was suggested to my mind, while listening to the remarks of my distinguished friend from Mobile, that there ought to be something said in reference to the position that this body take upon the great question of public improvements. If I understood the gentleman's position correctly, it was that it was rather doubtful whether this body should take decided ground in favor of internal improvement or not, that the gentleman did not feel exactly justified in taking that position. Why, Mr. PRESIDENT, the acts of your organization almost from the commencement have recognized that principle. Yours is a miniature Congress. Your acts are looked upon by the members of Congress as being of material interest, and as having great bearing upon their deliberations. The acts of the National Board of Trade, and their reports, are sought for there with as much interest as any public documents that they get, and it is supposed that this body knows more about these things than three-fourths of the members of Congress, and I know that to be the fact.

There was a time when this question of internal improvements, or the Government taking any action in improving the rivers and harbors of this country, was a question of constitutionality. There was a time when it was said by some that it must be confined to the salt waters, and no appropriations could be made anywhere unless it was in the neighborhood of the salt water, and salt water harbors; but, sir, that day has passed. We have long acquiesced in another theory and another doctrine. This country has become too great and too large for us to be confined to the narrow views that were then talked of and prevailed. The great nation in which we live, sir, could not prosper commercially, unless something was done to promote the internal commerce of the country. Look at the mouth of the Mississippi river, where millions of dollars have been spent to open the channel for the passage of large vessels to New Orleans. For years and years there had been experiments by Government, and all sorts of plans had been devised, at the public expense, to aid the commerce of the South, and to bring the larger class of vessels where they could take away the products of that vast country to the places where it was wanted for consumption. Follow that stream up to the Des Moines rapids, and see what has been done on the Mississippi river, and how Government has aided in the navigation of that great highway. Can anyone say that it is a question whether the Government has the power to do these things? Go over to the Ohio river and look at the appropriations that have been made to improve the navigation of that stream, to remove snags and other obstructions that interfered with its vast commerce. Millions of dollars have been spent upon the canal around the falls of the Ohio, at Louisville. No one thinks now of questioning the ability or constitutionality of Government's making such appropriations. Then, sir, pass with me to that beautiful chain of lakes. Go upon Lake Superior, where there is fresh water, and look at what has been done there. There have been improvements made there by the Government which have been necessary to the carrying on of the commerce of that great and growing Northwest. So, also, on Lakes Huron, Michigan and Erie, you will see the hand of the Government at the mouth of almost all the rivers, even down on Lake Ontario, not forgetting the St. Clair river and St. Clair flats, where hundreds of thousands of dollars have been spent, and much more will be spent, in order to keep them navigable, that the largest class of vessels

may pass through. But, sir, I wish to say something about the proposition before us. The *whereas* I am opposed to. It declares that Congress has been spasmodic in these improvements. Now, sir, I do not believe that exactly. Congress, it is true, has made larger appropriations some years than others; and some years they make hardly any; but, at the same time, they have been moving onward in the right direction. It is better for this body not to scold Congress. It is better for it not to find fault with what they do; but let us push on and recommend what we think they ought to do. Then the resolution declares that we should recommend to Congress to create another Board. Now, sir, I am opposed to that. I think we have decidedly too many Boards now at Washington. Where could we get a better Board than now has charge of our internal improvements? Take the War Department, that has the supervision of all our public works, and where will you look for a better Board to take charge of any such matters? No better exists in the world than we have now in this country. Officers of the War Department are placed in charge of the execution of different works all over our country, and are changed from one place to another. One comes to our place, and one goes to yours; and so they change about; and then they hold meetings and consult together. You will get no better Board than that. It is the best Board for such public improvements in the world. And then again as to the honesty of their laying out and management of the work. You never hear of any complaints of stealing and robbery where these engineers have advertised and let out the work. (Applause). All of us know that they are honest. All of us know they have got a position for life, and their education and reputation is in the direction of honesty; and we have honest men in those engineers to carry on this Department; and Mr. PRESIDENT, if I could have my way, I would give them still more power. I say I would give to the War Department — notwithstanding I am here in the city of Brotherly Love, where the Quakers, I am told, in the early days predominated — but yet I say I would let them take charge of the Indian Department. That is where it belongs, and it would handle the Indians much better than our preachers or pagans either. I am in favor of the substitute. I am glad my friend offered that. He may be a little narrower than I would be in the language, but it is only a question of what is strictly national public works. He wants to confine Congress to those

works which are strictly national. That is a question that is pretty hard to decide. I once heard a discussion between two gentlemen, and it was upon this point: one wanted to know when a pig ceased to be pig and became hog — when it passed from piggery into hogger. No one can tell you exactly, and when this Government shall say that a work is national, no one can very well say it is not national. I am free in my views upon that point. I believe that almost anything that will help forward the interests of our common country, that will promote commerce in any State, is national; and, sir, I believe it is national for the General Government to aid in celebrating the great birthday of our nation in the city of Philadelphia, and I go for that. (Applause.)

The question was then put by the President, upon the adoption of the substitute, and it was agreed to.

The PRESIDENT: The question now recurs upon the final adoption of it, as the sense of this Board. This requires the concurrence of two-thirds of the body.

At the request of a delegate the resolution was read.

Mr. HOLTON, of Milwaukee: It is just possible that we have used in our meetings the term "internal improvements," and, perhaps, many times. Still, I think it is a very dangerous term to be used in reference to the action of the Federal Government, and I think we should be very careful about its use. The danger of our Government to-day is that it is liable to be overwhelmed by projects and schemes which rings and combinations of men can bring up for its consideration, and which they can force upon the public treasury. I object to the General Government carrying on any internal improvements whatever, as such. I was delighted when the gentleman from Mobile yesterday drew that admirable distinction and presented his substitute. I had fears lest we should, in adopting this proposition from the Mobile Board of Trade, suggest and give our countenance to the idea that Congress should enter upon a system of internal improvements and become the custodian and propagator and conductor of internal improvements throughout this country. The improvement of harbors and the great rivers has long been established as a thing incident to the prosperity of this country, and to its de-

fense. Mr. Calhoun laid down that doctrine as a constitutional doctrine that you can do those things for the defense of the country, and incidentally for the benefit of commerce, but that it was beyond the purview of the Constitution that it should enter upon internal improvements, and the management of these domestic affairs which relate to commerce. That was left to the people—to the States—to the home industry—that was to be left to the discretion of men like those here in Philadelphia and Pennsylvania who proposed and have carried on their great system of railroads, and their magnificent internal improvements, and not to be sent up to Congress, not to be listened to by Congress, not to be permitted to enter the portals of Congress at all. We are the last men that should give any encouragement whatever to Congress taking up any system of internal improvements in this country. The convention at Boston, soon after the conclusion of the war, did consider what were proper measures of a mercantile character. It is true that that convention did propose that Congress should give incidental encouragement to the construction of three great railroads,—the Northern Pacific, and the Central and Southern roads. They have done that. I think it is the sentiment of every merchant in this country now,—“Hands off, Federal Government, from anything else; no more appropriation, even of lands.” The necessities for binding the continent together were great, and its conception grand. The conditions of its accomplishment were beyond the power of the States, far beyond the power that suggested the work; and grew out of the exigencies of the case; but, that once accomplished, that must be the end of it.

Let us have no more internal improvements at the hand of the Federal Government, except to keep the great rivers open to the seas, take care of the great water-ways like the Delaware, so that the great ships of commerce can go out and come in. That I think is national. The State of Pennsylvania has given to the Federal Government the custody of the great river that skirts her borders. She has so far surrendered her rights as to give the Government the right of eminent domain to take charge of this great water-way here, and to keep it in repair; but to-day if the Government wants to plant a light-house anywhere on the lakes it must get the consent of the States to do so, and the Government must not touch any of these questions that are reserved to the people and the States. Now, I am jealous of these internal

improvements. I consider that we have got to eliminate from the Federal Government all this use of the people's money. We have no revenues for such purposes. The revenues of this Government are to be appropriated simply to the matter of legislation, the enactment and execution of laws for the government of this people — not to take care of its business, not to take care of its commerce. The free labor of this country now unbound, now unchained, shall in a few years be as strong in the South as it is in the North; and whatever the South lacks to-day in these matters her people will soon be able to take hold of, and promote and effect; and it will be done far more speedily if left to them, and Congress is not permitted to open the coffers of this Government and appropriate its money for mere matters of commerce or internal improvement. It is against the constitution of this country, with all due deference to my friend from Cincinnati. Let the Government clean out the Ohio river, prepare it that your ships for defense may go there; prepare it that gunboats may go there in the time of conflict; but not one dime, unless it may incidentally grow out of that, for the business of Cincinnati, or any other city. If Cincinnati has great Boards of Trade, she knows well how to do it, and her legislation at Columbus is worth more than anybody else's legislation. The place for the consideration of these questions is at home. What I cannot do by binding my friends together — my friend in the profession of the law and my friends who are farmers — what I cannot do there cannot well be done. I tell you the demonstrations in this country already defy argument upon that question. The railroads of Ohio, done by her own people, show to-day that no power could have been brought to bear upon her to make a condition of things equal to that which she enjoys to-day. Scarcely a town of any consequence in that State but is fed by a railroad. The world has seen no such condition of things. The Emperor of Russia cannot to-day, with all his power, establish, or produce, or bring about anything that cannot be shown in our free States, where free labor has had a free scope. But send me to Washington to-day to do it, and I have got to go through a cordon of robbery and corruption there. Do I get anything? Never, with any propriety. I say, then, we have got to be very careful here, how we use the words internal improvements in connection with the Federal Government. I am opposed to the term, utterly and entirely, and I wish to contrive some way by which I can make

an amendment, if I can, to the gentleman's words. I will move to strike out the words "internal improvement."

Mr. PRICE: Say within the power granted by the Constitution.

Mr. HOLTON: I accept of that.

The PRESIDENT: In the present state of the question it is not open for amendment unless by unanimous vote, or by a reconsideration of the vote by which the substitute was adopted.

Mr. BAYARD, of Baltimore: I move a reconsideration.

Mr. GROSVENOR, of St. Louis: I do not desire, if I were able, to indulge in an oration at this time, but simply to make a few remarks. Gentlemen who were present at the recent sessions of this Board will remember, as I do, that we have discussed for hours at each of those meetings this same question of the constitutional power of the General Government, a question which I apprehend is not so fitly discussed in this body as elsewhere. The Congress of the United States has done, and will do, certain things, whether this Board advise or not. The public opinion of this country has demanded, and will demand, certain measures whether this Board advise them or not. We may as well recognize the fact that the people of this country no longer regard it as a collection of independent States or municipalities, but as a great nation demanding a National Government. That is the fact, whether this Board choose to accept it or not. Now, it is the misfortune, as I think, of this Board, that nothing is settled in its deliberations, that it stands ready at all times to reconsider, and review, and revise everything that it has ever decided upon. I suspect there never has been a session of this Board of Trade at which internal improvements have not been distinctly and emphatically recommended, and yet at every session of the Board of Trade we have had before us the same old constitutional question whether we have any right to make internal improvements; and it is discussed at greater length, and with greater earnestness and zeal, by some gentlemen than any other question. At every meeting of this Board,—I believe I shall be sustained by those who are older members,—internal improvements of one kind or another have been recommended; even my friend, who just addressed us, in the meeting at Chicago, taking exceptions to the language of the report made by the Committee on Transportation,

at that time recommending certain internal improvements, excepted to that report, on the ground that it was not constitutional, and went on to say, "We might call upon Congress to clear up all the water-ways; our friends have left out the Missouri river. We call upon Congress to go on and improve all the water-ways." He says: "Yes, improve the water-ways, but you must not touch the railways." Why? On the theory that the Government has power only to act for the common defense, and, he says, we must have ways by which our gunboats may be moved from one point to another of our national domain. That philosophy was well enough in the days when there were no railroads; but does not every man know that the United States defends itself now in times of war by a transfer of troops in other ways than by water and gunboats? Railroads may be, and at one time were, as necessary to our national defense as any water-ways ever were. Now, I don't intend to discuss this question, but only to oppose the reconsideration. If we reconsider, we shall open the whole question,—barren as it is, to my mind,—of the constitutional power of the Government.

Mr. BAYARD, of Baltimore: If the gentleman's affirmation be correct, that the action of this Board has hitherto recognized the power of the General Government to interfere in the making of internal improvements, all I can say is, it is time that that expression of opinion on the part of the members of this body was reconsidered and annulled. I have to express my cordial sympathy with the general tenor of the remarks of the gentleman from Milwaukee, and to thank him for his lucid explanation of the principle upon which this question rests. I cannot conscientiously vote for the passage of the substituted resolution. I am not willing that this Board should stand committed, even in the negative form, of a recommendation to the Government to interfere in internal improvements. In this connection I would call the attention of the Board to the recommendation in the report of yesterday, submitted to this body by its Executive Counsel, looking to the establishment of a Department of Commerce. Opposed as I am to a complication of the machinery of Government, which already has given rise to much of corruption and much of disadvantage to the national weal, it does appear to me that the establishment of such a department is a subject of paramount importance, and that in the consideration of that proposition, as the greater proposition, the lesser one of

internal improvement may well be included. Without trespassing further on the time of this body, without referring to the immense and wide difference of opinion which exists, as well within this body as outside, in the length and breadth of our land, both as to the extent to which the General Government should aid in internal improvement, as well as to the methods by which that aid should be imparted, I will, if in order, withdraw my motion to reconsider, and to substitute a motion to lay on the table.

The PRESIDENT: You have that right; do you make that motion?

Mr. BAYARD: Yes, sir.

The PRESIDENT: Before putting that motion, I understand from the Committee on Credentials they are prepared to report upon the admission of a body that might desire to vote upon this question.. The committee will make their report.

Mr. BOYNTON, Chairman of the Committee: The credentials of the Davenport Board of Trade are correct, and we recommend that WALDO M. POTTER, their delegate, be admitted to a seat upon the floor.

The PRESIDENT: The Board has heard the report of the committee; as many as are in favor of admitting the Davenport Board of Trade will please say "Ay."

The admission of the body was unanimously agreed to.

The PRESIDENT: The Delegate, Mr. POTTER, will take his seat.

Mr. PRICE, of Mobile: *Mr. President*, I rise to ask the gentleman from Baltimore (Mr. BAYARD) to withdraw his motion in order to give me an opportunity to be fairly understood on the proposition as it now stands before the Board, which I would not be if debate was cut off.

Mr. BAYARD: I take pleasure in doing so in order to give the gentleman a fair opportunity to be understood.

After explaining that he desired to modify or perfect the resolution which he had submitted, and which had

been substituted for the original proposition from the Mobile Board of Trade, Mr. PRICE moved that the vote agreeing to the substitution be reconsidered.

The PRESIDENT: The motion to reconsider is again made; that proposition is before the body; is the Board ready for the question?

Mr. THURBER, of New York: Be kind enough to state exactly what we are voting on, what the motion to reconsider is on?

The PRESIDENT: To reconsider the adoption of the substitute. It stands in this way, the proposition came originally from the Mobile Board of Trade; while it was pending the gentleman from Mobile moved an amendment to strike out the resolution and to insert a substitute. That substitute has been adopted in place of the original resolution, and the question then would come up upon the final adoption of the substitute by a vote of the Board, which requires two-thirds of the members present to adopt it. Pending that, the proposition was made to reconsider the resolution, for the purpose of introducing an amendment suggested by Mr. HOLTON, of Milwaukee, which the gentleman from Mobile was inclined to accept, but as the body had already adopted the substitute, it could only be got at by a motion to reconsider or by a motion to amend, made with the unanimous consent of the body.

Mr. HOLTON: I hope that courtesy will be extended to Mr. PRICE, to let him perfect his substitute.

Mr. HENRY, of New York: I have but a word to say on the question, and that is on the constitutionality. I think that question has been decided time and again in Congress and by the Supreme Court of the United States, therefore I see no objection to Congress aiding in these improvements; they have done it and are doing it. I shall vote against the reconsideration.

Mr. ALLEN, of Philadelphia: I ask whether it would be in order, as an act of courtesy to the Mobile Board of Trade, who have brought this matter before us, that its representative be allowed, by unanimous consent, to perfect his amendment. I think that is due to the body that sent this proposition to us; therefore, if it is in order, I move that Mr. PRICE, by unanimous consent, be allowed to perfect his amendment.

Mr. HENRY: I second the motion.

Mr. GROSVENOR, of St. Louis: I am sorry to say I must object as one member, and for the reason I stated before. It simply brings back upon us the old question of the constitutional power of the Government, and I don't care to spend time in discussing that question. I shall therefore object.

Mr. PRICE, of Mobile: I am exceedingly obliged to those friends on the floor who are disposed to give me a chance to perfect my motion or substitute. I am not very particular about the question of reconsideration, excepting that I find some friends on the floor who feel it is of importance to have the terms "internal improvement" somewhat limited, and I know no better way to do it than to say it shall be confined within the powers delegated to Congress by the Constitution. That, of course, is very general, and that, of course, leaves the question open as to the extent of those powers, which, as my friend from Cincinnati suggested, was like the question of when a hog ceases to be a pig and becomes a hog. That is very striking and very familiar. Now, as I apprehend, a motion to reconsider, for the purpose of getting in this amendment to my substitute, necessarily raises the question on that amendment when made, and its object; and that brings us to the point apparently so much dreaded by my friend from St. Louis. My friend on my right (Mr. EGGLESTON) seems to be laboring under a misapprehension of my position as taken on yesterday, when he attributed to me a doubt whether this body should take decided ground on internal improvements. I wish to correct my friend right here. I never had a shadow of doubt as to whether this body should take decided grounds on that question. We are a body representing the commerce of the country, and that, I apprehend, lies at the very tap-root of our organization. But I would like to call his attention to the distinction which I tried to make plain yesterday, that internal improvements as promoted by this body, and internal improvements as made by the General Government, are two quite distinct things. I shall do all that I can to promote and foster internal improvements by the action of this body and by the people of this country; but, sir, I do not wish to do anything, either by this body or as an individual, in whatever influence I may have with my own Board, to encourage the idea that a general system of internal improvements by the

General Government of the United States is within the powers of the Constitution of the United States. There is a great difference between internal improvements and the encouragement of them by individuals and by corporations, and internal improvements by the General Government as such ; and in using the term internal improvements I had reference more particularly to those internal improvements that could not by the direct and special letter of the Constitution of the Government be considered in the purview of that instrument.

As intimated by my friend from New York, it has been long settled, and it has never been disputed by any party in this country, that the Government of the United States had the right, under the express terms of the Constitution, to improve the great public water-ways which have always been considered public highways, and therefore within the domain and resting in the power of the General Government to open and improve them. The Constitution itself gives the General Government this maritime jurisdiction over both the sea and inland waters ; and by a recent decision of the Supreme Court of the United States it is a question no longer open whether the United States can exercise that constitutional power over any of its inland waters which are capable of floating the commerce of the country. Now, sir, when we depart from that, and you go into the railroad system and into local improvements, into digging through mountains and tunneling under hills throughout this country, as a general system, by the Government, of public and national improvement, I beg, sir, to most decidedly differ with those gentlemen who hold that the Government has any such power. It has been asserted on this floor that it is now too late in the history of this Government to raise that question, and why ? Why, sir, forsooth, that in the last ten or fifteen years that system has been embarked in by the Government, and hence they argue that that precedent would settle the correctness of the principle. I deny that principle, or that precedent would establish the constitutional power. We must look upon the works of a nation from a standpoint which will survey nations with reference to their age. Think, sir, of this nation, whose centennial we are now near celebrating in this city. We boast now of a hundred years ; why, sir, the swaddling clothes are not off. Grand and glorious and powerful as we are, we have hardly commenced to be a nation, or a confederation,—I prefer that word. I do not like the word nation.

Here I come to the objection raised by my friend Mr. GROSVENOR, of St. Louis. He comes up squarely, as he usually does, and as a man always should do, to the old proposition that we are a nation, and not a confederation of States. I differ with that as long as we are a republic. As long as we boast of the power and the freedom of a republic I shall plant myself firmly on the proposition that we are a confederacy of States, and not a centralized nation; and that is just where this question comes. The gentleman objects to having incorporated in this substitute that we are not only a government of confederated States, but that we are, and must be, held within the purview of a written constitution, which is the guaranty of our liberty. I do not wonder at the gentleman not caring to have the limitation of the Constitution placed upon his ideas of a centralized nation. I want, sir, a government of constitutional liberty, and I do not want the monstrous idea of a centralized power not regulated by a written constitution.

Mr. PRICE's time having expired, he was granted leave to proceed.

Mr. PRICE: I am very much obliged, and I shall not detain the body but a few moments. The very proposition made by my friend on the right that it is too late to argue this proposition is denied by my friend from St. Louis, when he says it is a fixed fact in this country that we are a nation, and not a confederation of States. I believe, sir, that the people of this country are essentially republican; they believe in that quality of republican institutions which can never be secured by a centralized government, and I believe that the gentleman is mistaken altogether when he says, that has become a fixed fact in this country. This government owes as much, or more, to the intelligence of the commercial interests as to any other class, and as we stand here the representative of that power we cannot but protest and petition and suggest. We can make the evils which the Government may practice upon us ring in the ears of the American people, a people of sovereign powers, a people who know and will dare defend their rights, and such bodies as ours may suggest and give direction to that wonderful power which must govern this country sooner or later; and the idea that we have come to it at last and it is an established fact — I emphasize the word established — in

this country! I believe that that question remains to be tested, and perhaps not further off than 1876, and the elements now all over this country from Maine to California, and from Florida to Minnesota, give out no such sound as the gentleman would indicate. The Home Government is as dear to these people as it ever was, and it may be, under Providence, a fortunate thing that we have so early come to the proposition we may have to decide in 1876, as to whether or not we shall have a centralized government, or whether or not we shall have a government of States. We can only give expression here to what we feel to be the sentiments of our people; and, sir, from my section of the country, if there is any brightness in the future; if there is any hope of peace and quiet; if there is any guaranty of the perpetuation of the Union on this continent, it lies in the direction of local self-government and a general government with delegated powers, a general government that recognizes that the Constitution is a thing in fact, and not a thing to be trifled with.

Now, sir, I want this government, with its delegated powers, where it has the express thus saith the law for its operation, to take charge of these highways, and open them for the commerce of this country; but when they come to these propositions that are on doubtful grounds, all we ask is for the Government to lend us its fostering hand. They may foster improvements without making them themselves, and controlling them as the Government, as they have done in all these places that these gentlemen mention. How have they built the Pacific railroad? How do they make any of these general improvements where it is on doubtful ground? Why, they come to the aid of corporations organized by States. How much does this country owe to the State of New York for the construction of the Erie canal? Look, too, at all the chain of canals sweeping through the great Northwest, built by Illinois and other States, not by the General Government. The General Government may, however, help, and I think properly, because these canals may connect these great waters, over which they have jurisdiction. They may reserve their military rights, their transportation rights, in time of war or otherwise, as an equivalent. The great danger lies in the fact of the great commercial interests of the country coming together and directly recognizing the fact that we expect the National Government to go forward and make these improvements, and own and run them for us. I desire this resolution to be passed,

with the amendment that it shall be strictly in accordance with the powers delegated by the Constitution of the United States. Let us take the Constitution as our chart and compass.

MR. WETHERELL, of Philadelphia: We all know that this is a very fruitful subject; that a great many members have their own opinions on it, but it seems to me that a resolution so general in its character as this, can be of but little practical value. Now, what does it mean after all? We may say that all internal improvements must be national. Well, now, I venture to say that the gentleman from Mobile will tell us that one or two propositions, which he will in a little while present to us, are of a national character, and some one else will say they are not of a national character, and therefore we will have to take up each case as presented, and try to decide for ourselves whether it is or is not national; each specific improvement will have to be discussed as it is brought before this body. So also as to their importance, if we agree that a certain number of propositions are national in their character, how many on this floor will agree as to the relative importance of those propositions? Each gentleman will claim that the project that has enlisted his interest is far superior and above all other propositions that are presented. That is natural enough. We will all be likely to advocate those matters of internal improvements in which we are directly interested, and coming from our own section. Now, why pass a general resolution, when probably the next matter that will come before us is in regard to the improvement of the levees of the Mississippi, and the next one after that in regard to uninterrupted water communication from the Tennessee River to the Gulf of Mexico. On these we will have this very question specifically presented; therefore I think we had better lay this proposition upon the table, and I think so for the additional reason that the Executive Council have presented a report, and we have adopted it, that we should have a Department of Commerce. In Section 2, of our recommendation on that subject, is a clause which covers every item which need be covered in the resolution as offered by the gentleman from Mobile; and if we say now by passing this resolution that we need a bureau of internal improvement, we say specifically, that we need that bureau more than any other department, either of trade, commerce, or manufacture, and so weaken our claim on Congress by asking for

a part and not for the whole. Now it seems to me, one of the principal objects of this body is to secure a Department of Trade and Commerce in this country. When that is secured, it seems to me, we might properly disband; but we should stand as merchants, shoulder to shoulder, until we secure at the hands of the Government at Washington that important measure, and never yield one iota in regard to it. Let us stand for the whole or none. Let commerce be cared for, internal as well as external; foreign as well as domestic. Let manufacturers be cared for, and their vast interests which are growing day by day; and let us stand as a unit for the whole, and not ask for a part to the injury of any other part. (Applause.) I move that the whole subject be laid upon the table.

Mr. STRANAHAN, of New York: This question came before us as a practical question. It has finally assumed the shape of an abstract question, and gentlemen have had to speak on both sides of the same proposition, which seems to be a necessity when this question arises from certain quarters. I second the resolution of Mr. WETHERELL, and hope that it may lay upon the table.

The PRESIDENT: The proposition is, to lay the motion to reconsider, together with the substitute that has just been adopted, upon the table.

The motion to lie upon the table was then put and adopted, and the subject so disposed of.

Mr. BOYNTON: The Committee on Credentials have a further report to make concerning the New York Board of Trade. They find that the organization has been in existence eleven months, and the delegates, who are now present, have of course had less than a year's active membership. We, therefore, would recommend that the New York Board of Trade be admitted to membership, and the delegates be admitted to seats, with the privilege of debate, but not of voting. They also recommend that the application of the Merchants' Exchange, of St. Louis, the Cincinnati Board of Trade, the Salem Board of Trade, and the Buffalo Board of Trade, be acceded to, which is, that they may withdraw from this National Board of Trade; they also recommend that the application of the Oswego Board of Trade to withdraw be acceded to, as soon as their dues are all paid up.

The PRESIDENT: The Board have heard the report of the committee. The first proposition they make is, that the Board of trade of the city of New York be admitted to membership in this body, with the right at present of their delegates to seats, and to participate in the debates, but not to vote. As many as are in favor of so agreeing will please say "Ay."

Unanimously agreed to.

The PRESIDENT: The next is a report that the bodies named by Mr. BOYNTON desire to withdraw from this organization, and the recommendation that such as are not in debt to the Board have leave to withdraw.

The recommendation was concurred in.

The PRESIDENT: The last proposition they submit is, that the Board of Trade of Oswego, New York, be permitted to withdraw, upon payment of their dues to the Board.

This also was unanimously agreed to.

The PRESIDENT: That disposes of the report of the committee. The next proposition on the programme will be read. It is from the Chamber of Commerce of the city of New Orleans.

The Secretary read the proposition, as follows:

*Resolved*, That the National Board of Trade regards the question of improving the levees on the Mississippi river as one of vital importance to the whole country. That the attention of Congress is earnestly requested to the assistance of this great measure, by the enactment of such laws as may be necessary, to the intent that whenever the States of Louisiana, Mississippi and Arkansas, or any one of them, shall provide by law for leveeing the banks of the Mississippi river within their respective limits, and for the issue of bonds in the sum of \$1,000 each, payable within thirty years from the date thereof, with interest coupons at the rate of six per cent. per annum, payable semi-annually, which bonds are to be used for the sole purpose of defraying the expense of such leveeing; and shall also, in such laws, provide for an annual tax to an amount sufficient to pay the annual interest on all bonds so issued, and to create an annual sinking fund, sufficient to pay the principal at maturity, then the United States shall guarantee the bonds so issued to an amount not exceeding, for the States of Louisiana and Mississippi, ten millions of dollars each, and for the State of Arkansas five millions; provided that the delivery to the respective States of the bonds so guaranteed shall only be made as the work progresses, under the general supervision of engineers appointed by the United States.

The PRESIDENT: That proposition is before the Board.

Mr. GROSVENOR, of St. Louis: It is suggested that, as there is no delegate present from New Orleans, it may as well be continued on the programme and passed at present. I would not, however, make that motion if anyone wishes to discuss it.

Mr. HOW, of Chicago: I hope it will not be continued on the programme; it has been there now three or four years. I hope it will be disposed of some way, either by voting it down or adopting it. At the request of the gentleman in charge of the proposition when it was first presented to the Board, it has been continued from time to time. It seems to me we ought to dispose of it in some way.

Mr. MERWIN, of New York: I wish to offer an amendment to the resolution as it now stands, before action is had upon it. I propose to strike out all after the first paragraph, so that it will read as follows:

*Resolved*, That the National Board of Trade regards the question of improving the levees on the Mississippi river as one of vital importance to the whole country.

Mr. COVINGTON, of Cincinnati: I cannot understand that that would have any meaning or significance whatever. I had much rather see the whole question disposed of and voted down. I cannot conceive that the whole country has any particular interest in the improvement of the levees upon the Mississippi river. It is entirely a private speculation, calculated to benefit only the lands lying immediately upon the borders of the river. The district of country which would be benefited by the building of levees is but a narrow strip of land along each bank, and the only benefit is to private interests, precisely the same as the draining of the swamp lands in northern Illinois and northern Indiana and northern Ohio. Independent of that, it is impracticable, viewed from an engineering standpoint. To build levees on the upper portion of that river, and so confine its waters in the time of flood, will break the levees in the lower part of the river, and overflow the country, bringing ruin and desolation to everything below. I regard the proposition as one simply favoring a private speculation. I hope it will be voted down, even in the form suggested by the gentleman from New York.

The PRESIDENT: The question is upon the amendment offered by the gentleman from New York.

The question upon the amendment was then put by the Chair and it was lost.

Mr. COVINGTON: I move that the whole subject be indefinitely postponed.

This was unanimously agreed to.

The PRESIDENT: The next proposition has been postponed a number of times on the official programme, and is now sent by the Executive Council without resolution, "A reduction of and uniformity in postal rates."

Mr. HENRY, of New York: In view of the recent advance in postal rates, to the detriment of merchants, I move that a committee of three be appointed by the Chair to take the matter into consideration and draft suitable resolutions.

The motion was adopted, and the PRESIDENT appointed as the committee, Messrs. HENRY, of New York, HOLTON, of Milwaukee, and EGGLESTON, of Cincinnati.

The PRESIDENT: The next proposition will be read.

The Secretary read the proposition, as follows:

Favoring the establishment of the postal telegraph.

Mr. ALLEN, of Philadelphia: I move that this subject be referred to the same committee.

Mr. MERWIN, of New York, moved that the subject be indefinitely postponed, but subsequently withdrew it.

Mr. HINCKEN, of New York: I think it is proper that this Board — merchants as we are from every portion of the nation — should express a decided opinion on this question of the interference by Government with what can be carried on and what is carried on satisfactorily by private enterprise and private capital. I am not an old man, but I am old enough to have learned that the Government can do nothing so cheaply, nothing so well, nothing so much to the satisfaction of the people, as the people can do for themselves, and I would be in favor of an expression

that it is the sense of this Board that we are opposed to any governmental interference in the matter. I think we ought to give some expression on the subject.

Mr. ALLEN, of Philadelphia: My reason for making this motion was, that the matter might be brought more definitely before the Board. We thoroughly discussed the question, I think, some three or four years ago, and my opinion is very decided against any interference on the part of the Government with the telegraphing business. I believe it should be left to private enterprise; but I have reason to believe there are gentlemen present who would like to be heard, and that is the reason I make the motion.

The PRESIDENT: The motion now before the Board is, that the subject be referred to the Committee on the Postal Law.

Mr. THURBER, of New York: There seems to be an impression among some of the delegates here that this subject should be definitely disposed of. I, for one, think we ought to dispose of it one way or the other. There are some points in reference to this postal telegraph scheme which I think should be presented, discussed and voted upon. I fully sympathize with the feeling that many delegates have in regard to the unadvisability of the Government's interfering in private enterprises. I have a resolution which I proposed to offer, in order that we might be able to talk to something, and I will now offer it:

WHEREAS, The transmission of intelligence by electricity has become inseparable from the transactions of modern commerce, and a convenience and a necessity to the whole people, and

WHEREAS, This great power is at present monopolized by a few individuals, and the cost to the public for the use of the same thereby greatly enhanced; therefore,

*Resolved*, That the same principle which regulates the issue of patents should be here recognized, and that the public interest should be in some measure protected against a perpetuity.

*Resolved*, That in the opinion of the National Board of Trade, this object can be best accomplished by the establishment of a postal telegraph; and that in justice to the present telegraphic companies of the country, it should be acquired and paid for by the Government at a full and just valuation of its property at the present time.

In support of that resolution, I desire to present, for the consideration of this Board, certain facts, and then if they disagree with me, I am quite willing it should be voted down.

The PRESIDENT: I would suggest to the gentleman from New York, that the present motion of Mr. ALLEN takes precedence of any such motion as he has suggested.

Mr. ALLEN: I will withdraw that motion with pleasure.

Mr. THURBER: The telegraphic system of this country has, as we all know, grown up very gradually, until it has attained gigantic proportions. I propose to show some facts in the growth of this system, in order that we may judge whether it is advisable to indefinitely postpone the consideration of the proposition now before us. Seventeen years ago the Western Union Telegraph Company had a capital of \$385,700. Eight years later the stock had expanded to the magnificent proportions of \$22,000,000, of which \$3,322,000 was issued in the purchase of competing lines, while \$18,000,000 was issued as stock dividends. What actual value this enormous dilution represented may be judged from the fact that the stock was not then worth in the market twenty-five cents on the dollar. This, however, was the first attempt to spread out an immense paper capital which should hereafter afford a plausible pretext for imposing on the public an oppressive tariff of charges. Its next step was the purchase of the United States Company, for which \$7,216,300 of stock was issued, an amount estimated at five times the true value of that property. Next came the absorption of the American Telegraph Company. The stock of this company was almost as much inflated as that of the Western Union at that time, and yet to procure this line, and thereby remove the only remaining obstacle to absolute monopoly, \$11,833,100 of Western Union stock was issued to secure possession of it. In the last report of the Western Union Telegraph Company we find the earnings for the year were \$9,530,749 gross; that its net earnings were reported at \$3,076,000, about seven per cent. on the entire outstanding indebtedness of the company, which amounts to about \$46,000,000.

It has been the experience in England that the people of that country secure their telegraphic facilities at very much less cost than they did when their system was operated under private enterprise; and in regard to the advisability of our Government taking hold of and running this business as they do the post-office, I think anyone who will give the subject a fair consideration will be convinced that there are substantial reasons for

so doing. It is admitted as a general principle that persons who make important inventions should be liberally compensated therefor, but there should be some limit to that recompense, and the purport of the resolutions I have submitted is, that after recognizing in full the property interests which are now invested in our telegraph system, the people shall have some interest in it. In the report of the Judiciary Committee of the last session of Congress this subject was considered, and from that very able report I propose to read some extracts.

[Mr. THURBER read a lengthy extract from the report he had alluded to, which being a public document is not reproduced in this place.—SEC'Y.]

Now, Mr. PRESIDENT, I do hope that this question will not be indefinitely postponed, but that it will be referred to this committee, as was first proposed, that they may consider and report resolutions which this Board can either accept or reject. I believe that this is a most important question, and one which the experience of other countries has shown is very greatly to the benefit of the public; and while I know that the pressure against it is very great, both by those who oppose it on account of their belief that the Government should not take hold of anything that private enterprise can accomplish, and by those great corporations which at present control it, I do hope that the subject will receive consideration, and move that it, together with the resolutions I have read, be referred as suggested by Mr. ALLEN.

Mr. PEDDIE, of Newark: I second the motion of the gentleman, and will simply remark, that four or five years ago, at St. Louis, the same subject was brought before the Board. At that time in England it was in its infancy. Since then, and at the present time, the telegraph connected with the British Government is a success. Therefore, we have something now to go upon. I am glad the gentleman has brought up the subject before this Board so it may be discussed and ventilated, and as it has been remarked that the Government should not do anything which individuals could do, I would simply say the Post-Office Department and the management of the mails is carried on by the Government, and the day is coming, not very far distant, when the telegraph will be used more than the mail.

The PRESIDENT: The proposition of Mr. THURBER, of New York, is that the subject upon the programme, together with the resolutions that he has just read, be referred to the special committee appointed on the subject of postal rates.

The motion was put and agreed to.

On motion, Messrs. THURBER and PEDDIE were added to the committee.

The Secretary then read proposition No. 6:

Favoring a uniform system of weights and measures.

Mr. LINDBLOM, of Milwaukee: I will take up your attention for but a few moments. This is a question which comes home to us all as practical business men, and we are prepared to comprehend the perplexity incidental to the present system of measures and weights; that a reform in this direction is imperatively demanded, is to my mind a self-evident proposition, and I beg to submit the following resolutions:

WHEREAS, The commercial relations between this country and Europe are becoming more and more intimate, and

WHEREAS, It is desirable that, in order to facilitate our business intercourse with foreign countries, a uniform system of weights and measures should be established; therefore,

*Resolved*, That the Government at Washington be requested to invite the Governments of Great Britain and Continental Europe to appoint Commissioners to meet in consultation with a like Commission to be appointed by the President of the United States.

*Resolved*, That the antique manner of measuring by cubics should, wherever it is practicable, be substituted for measure of weight.

Mr. HINCKEN, of New York: I believe that I am right in stating that the Government has already appointed Commissioners to confer with Commissioners of the Governments of Europe on this subject. I read but very lately that the parties on our part hesitated only on the adoption of the measure, in consequence of some hesitation on the part of the Secretary of the Treasury. I believe it is proper that this Board should express an opinion that it is desirable that we do adopt some system that will accord with those of other nations. I think the resolutions should be passed.

The question upon the adoption of the preamble and resolutions, as the expression of the Board upon the subject, was put, and unanimously agreed to.

The Secretary then read proposition No. 7 upon the programme, as follows :

*Resolved*, That Congress be requested to so amend the Shipping Act of 1872, that nothing contained therein shall be so construed as to compel any master or seaman, when continuing from voyage to voyage, to ship upon the same vessels, to pay to the Shipping Commissioner any fee other than that paid on the first voyage.

The PRESIDENT: A paper was submitted this morning, the reading of which was dispensed with until this question came up.

Mr. HINCKEN, of New York: I move that the paper be read.

Agreed to.

Mr. ALLEN, of Philadelphia: I move that this proposition be considered in connection with subject 15, so that the whole subject of the shipping law and the steamboat law, and everything pertaining to that subject, may come up for discussion at one time. I have a resolution which I propose to offer at the proper time, and one of my colleagues has another.

The motion to consider Article 15 in connection with Article 7 was put by the Chair and unanimously agreed to.

The PRESIDENT: The two propositions will be considered together. The communication from the United States Shipping Commissioner will be read.

The Secretary then read as follows:

PHILADELPHIA, June 15, 1875.

FREDERICK FRALEY, Esq., *President of the National Board of Trade*:

DEAR SIR,—In the *North American* of this morning I notice a meeting of the National Board of Trade in this city, for to-day. Among the many subjects to be brought before the Board is an amendment to the "Shipping Act" of 1872, as follows (submitted by the Philadelphia Board of Trade):

*Resolved*, That Congress be requested to so amend the Shipping Act of 1872, that nothing contained therein shall be so construed as to compel any master or seaman, when continuing from voyage to voyage, to ship upon the same vessels, to pay to the Shipping Commissioner any fee than that paid on the first voyage.

Ever since the Act went into effect the practice of the undersigned shipping commissioner has been — particularly with the smaller class of vessels, say West India traders, etc. — to make no charge for reshipping men in the same vessels, on another voyage, provided the men are not discharged by the master on arrival, or when paid off. The number of reshipments for 1874, in this office, reaches nearly fifteen hundred, and the percentage is increasing monthly. I am advised the same rule exists in New York. From the above you will perceive that, to a very large extent, action toward amending the Shipping Act has been anticipated.

There is a very important subject to which I respectfully desire to direct the attention of the Board of Trade, so that whatever action may be thought desirable, it may be pointed in the right direction. The matter is this: It will scarcely be credited in a commercial community that there are masters commanding vessels valued from \$35,000 *down*, who can neither *read nor write*, and *are entirely unacquainted with the rudiments of navigation*. This is a broad charge, but it is as true as broad. During our winter and early spring months, many vessels charter for the West Indies and elsewhere, the master engages a mate (or nurse, nautically) to navigate the vessel. This person may or may not be competent; consequently the master is completely at his mercy, and if underwriters are not sufferers, why they must ascribe it to "luck" entirely.

I beg your attention to the fact that in *all* commercial countries a board of examiners (appointed by Government for their capabilities as experts) issue certificates of competency, after examination; said certificate *alone* entitling them to a vessel, either as captain or mate, and without such certificate they cannot obtain employment. That there should be some legislative action on this does not admit of a doubt.

Again, there is still another subject, just suited, in my opinion, to the consideration of the Board of Trade, namely, some method for fostering or making American (native) seamen. I am sure that our foreign-going merchant marine are manned by seven-eighths foreign seamen. Our captains are absolutely opposed to taking boys *who have never been to sea*. I have applications by the score, daily, without being able to effect a shipment. I fear the school-ship system will be a failure. What the condition of our navy, or merchant marine, would be in the event of a war with *any* naval power, is easily judged by nautical men.

I throw these remarks together within the hour, more with a view to direct the attention of the Board to them, than that they would be able to act at this meeting. I would be most happy to give my views at length on the above subjects if desired. Very respectfully,

JOHN H. YOUNG,

*U. S. Shipping Commissioner.*

Mr. ALLEN: Now, I suppose this subject of the steamboat law, and the shipping law, is one that may be considered as national; that is, that all sections have an interest in it, as one that covers the ocean, lakes and rivers. This steamboat law was passed in 1871, and under it very great power is given to the

Supervising Board of Inspectors of Steamboats, and their rules and regulations, when approved by the Secretary of the Treasury, have the force of law ; and under those rules and regulations the steamboat owners are forced to adopt a good many patent contrivances which sometimes turn out to be worthless. I do not propose to make a speech myself upon the subject, but I have some documents here which bear so strongly upon it, and which go to the very root of the matter, that I hope I may be allowed to read them, and to show that this law needs amendment, or we need an entirely new law. I have a letter sent by Mr. Bontwell, when Secretary of the Treasury, in regard to this law, in which he says: Certain sections of the act have been discovered to be of doubtful construction, and many rules adopted to make the act effective, are found to be of doubtful practicability. I would also like to read a letter addressed by a committee of the National Board of Steam Navigation to Mr. Conkling, the Senator from New York, in February last, in which they say :

[This letter, which Mr. ALLEN read at length, sets forth very forcibly the necessities of the country for a thorough revision of the shipping acts of the United States, and especially such portions of the laws as relate to steam navigation ; calls attention to the fact that present laws are deficient in many respects, and in numerous instances create confusion and uncertainty as to construction, some of them having been enacted in the early years of the nation and are not adapted to the changes that have occurred with the growth of the country. In existing laws no proper distinction is made between ocean navigation and that of the lakes and rivers, and in some instances conflicts and doubts arise from the fact that existing laws, having been passed at widely different times, and with reference to special objects, present features incongruous and inharmonious. The communication asks for the enactment of an entirely new and harmonious code of laws and regulations, simple in their character and adapted to the various forms of navigation existing in the United States, and

that such a code of laws be prepared for submission to Congress by a competent commission.—SEC'Y.]

The steamboat men succeeded in getting an Act that was to take the place of the Bill of 1871, passed through the Lower House of Congress. When it came into the Senate it met with the most determined opposition, particularly from Mr. Conkling, the Senator from New York, and the bill failed. I believe the steamboat men of the country, and those that represent all interests, have now come to the conclusion that it would be best to ask for the appointment of a commission, so that the whole subject may be properly taken care of in the manner which is intimated in the letter; therefore I would offer the following resolution in connection with this important subject:

*Resolved*, That the officers of the National Board of Trade, on behalf of the Board, memorialize Congress to pass an Act creating a Commission to prepare and report a bill or bills with reference to the enactment of a General Shipping Law.

The PRESIDENT: That proposition is before the Board. It is open for debate.

Mr. WETHERELL: Before acting on that I desire to call the attention of the Board to the resolution as presented by the Philadelphia Board of Trade, proposition No. 7 of the programme, and which we agreed to take up in connection with proposition No. 15, in regard to the steamboat law. I will confine my remarks to this resolution of the Philadelphia Board of Trade. What we desire is this, to amend the Shipping Act of 1872 in three particulars: first, that the appointment of the office of Shipping Commissioner be taken out of the Circuit Court and be made by the Secretary of the Treasury. It is very easy to see that the Shipping Commissioner should not in any way be the appointee of the judge of a circuit court. I need not say that as a principle it is hardly right to give the judge of any court any such patronage or any such privilege. It should come from the Secretary of the Treasury, for the reason that shipping commissioners are very often called upon as experts in admiralty cases, and the judge, of course, is influenced a good deal by the opinions the Shipping Commissioner may give. It may go pro or con, he may be right or wrong, but there is a certain amount of influence in the opinion, and his opinion is, I believe, generally asked in such

cases. Therefore it seems to me to be a plain principle that an office of this sort, not at all judicial in its character, more connected with the shipping interests and the Customs Department than that of the admiralty,—that that appointment should be given to the Secretary of the Treasury, and not to the Judge of the Circuit Court. How it came to be placed in the act I don't know. We desire that the Executive Council may memorialize Congress to amend the Shipping Act in that particular.

The Philadelphia Board of Trade also desire the Shipping Act to be amended in another particular, which is, that the office of Shipping Commissioner shall be a salaried office, and that all fees be paid into the United States Treasury. That seems to be a practice which is becoming more and more popular, day by day. I understand the Shipping Commissioner in New York is a very excellent officer, and thoroughly competent to perform his duties; he receives in fees anywhere between \$20,000 and \$25,000.

The Philadelphia Board of Trade claim that the Shipping Commissioner in our city receives in fees a very considerable amount, and that as a principle it is better and safer that officers of this sort should be salaried officers, and that fees, whether they be more or less, should be paid into the Treasury of the United States. That seems to be, in the views of the Philadelphia Board of Trade, a practical and a plain question, and a question surrounded by merit; and we ask that the Executive Council should memorialize Congress to that effect. We also ask that the Executive Council should memorialize Congress to amend the bill in a third particular,—that as far as practicable the office of the Shipping Commissioner shall be a part of the Customs Department, and where possible the Collector shall act as such officer, and that seamen shall have the right to make contracts for longer periods than from voyage to voyage, under such regulations as may, by the Secretary of the Treasury, be deemed expedient. Now, there are a great many smaller ports in the United States where collectors receive good round salaries, and, as we are informed, do not perform any great amount of duty. Under the Shipping Act, a captain can act as Shipping Commissioner, if he goes into a port where there is no Shipping Commissioner appointed. We think where the Collector may have little or nothing to do, as is oftentimes the case, but where it is essential that there should be such an officer of the Govern-

ment, that he should take upon himself this duty and act as Shipping Commissioner.

The fourth point is, that seamen should have the right to make contracts for a longer period than from voyage to voyage, under such regulations as the Secretary of the Treasury may determine. Now, what is the present practice? If I have a line of ships trading from New York to Liverpool under the American flag—I hope to see the day, it is not very far distant, when we will be able, on account of the cheapness of iron, to build our own ships and sail them under the American flag. I hope that at no distant day New York will have a line of American steamers from our great commercial port to Liverpool;—in every department of that steamship service—in the sailing department, from the captain down; in the engineer's department, from the chief down; in the steward's department, from the steward down,—under the present existing law, every one of those men, men who are employed year after year, men whom the ship-owner desires to employ to secure their influence and skill and experience, and men they would not discharge on any account; yet every one of those men, in every one of those departments, must, under the existing law, go to the office of the Shipping Commissioner at the end of every round voyage, be discharged in the regular way, and engaged in the regular way at every round voyage; and for that privilege they have to pay, or the owners of the steamships have to pay for them, two dollars per man; and if there are one hundred men employed on a particular steamship, it would be two hundred dollars per round voyage; and in a weekly line of steamers from New York to Liverpool, it would amount to not less than from eight to ten thousand dollars a year. To be sure the shipping interest of this country may be said to be in its infancy, but they have made a start, and they will, I hope, grow, now that they have made a start. All those that are interested in the shipping interests of this country feel all this to be a weight and a burden. Congress, as a rule, does not act very quickly. As all their deliberations are made with care, and as memorials require time for their consideration, we think it would be proper and right for us thus early to memorialize Congress to amend the Act, which, I think, is wrong, and which bears hardly on the shipping interests in the particulars which I have named. We have received a communication from our Shipping Commissioner, Mr. Young, a most estimable officer, a man who does

his duty ably and well, a man who takes his fees, too, as all other officers will take their fees when they are entitled to by law. He says that the West India trade, where vessels are making their regular voyages, month by month as the case may be, that he waives his fee, with a liberality which is commendable on the part of that officer. But if in one instance, why not in all? And if right, and practiced by a generous officer, why not take the man who is not quite so liberal or generous and prohibit him from taking fees, which liberal and generous ship-owners think odious and unjust. I hope that the suggestions I have made will be considered, and that the Executive Council may be instructed to make the memorial.

Mr. ALLEN, of Philadelphia: I have a remark to make regarding the law of 1851, "An act limiting the liability of ship-owners in cases of collision." The last section of the act provides, "This act shall not apply to the owner or owners of any canal boat, barge or lighter, or to any vessel of any description whatsoever used in rivers or inland navigation." I have the decision of the Supreme Court of the United States here—which it is not necessary to read—holding that the navigation of the lakes is not considered as inland navigation; therefore the same law which applies to the ocean in cases of collision now applies also to the lakes, but it does not to the rivers, and the Philadelphia Board of Trade proposes that the provisions of this act shall extend over the entire vessel property of the United States. For that purpose I have prepared a resolution.

Mr. COVINGTON, of Cincinnati: May I interrupt you a moment, to ask what is the law in regard to collisions?

Mr. ALLEN: The law of 1851 limits the amount of liability to the value of the vessel causing injury; that is, if a steamer at sea sinks a sailing ship, the extent of the damage that the steamship owner has to pay is the value of the vessel doing the injury.

Mr. COVINGTON: I will state that a boat on the rivers not worth three hundred dollars may destroy boats worth five hundred thousand dollars. We have flat-boats worth a great many thousands of dollars. A little steamboat not worth five thousand dollars in the hands of careless men may run down a boat worth a great deal more by sheer carelessness. The decision of our own supreme court, sustained, I believe, by the United

States Supreme Court, is, that where two boats collide, and both belong to the same company, that there is no right of redress on the part of owners of cargoes under those circumstances. I may own the boat that runs another man's boat down, and his underwriter may come upon me for the damage, but if I happen to own both boats he has no right of compensation. We have had one such case, where the loss of life was terrible, one of the most frightful losses of life that has occurred in this country, and yet, in the face of that loss of life, the court sustained such a defense by that company owning both boats, and they have not been held liable for the damage.

MR. HINCKEN, of New York: We have wandered off from the Shipping Act of 1871 to quite a different subject — the law of collisions. We have wandered away from Number 7 and are discussing Number 15. The Shipping Act, as those on the seaboard need not be informed, was intended to protect the sailor, but we are mixing it up with the Steamboat Act. I want to confine the Board now to Number 7, that is, the Shipping Act. The Ship-master of the port of Philadelphia writes this morning that he himself considers the act unjust, that he does not enforce it against small vessels. Now, the intention of that law, as we understood it in New York when it was originally passed, exempted vessels trading on short voyages. It exempted vessels on voyages from Canada, and between the Canadian, West Indian and Mexican ports, but there was too much sacrifice there for the Shipping Commissioner. By some hocus-pocus it is now collected from all the ships. They all pay. That is the construction given to the law in New York, although the Shipping Commissioner claims that he does not collect it on small ships, and we claim that he should not. Now, I think we should adopt Number 7, and leave Number 15 to be discussed hereafter. The best way for those who don't understand it is to show its practical operations, and I will show it by a statement of those operations: A ship arrives at Sandy Hook from Europe for orders. She is ordered to a southern port. Out of a crew of twenty-eight men four do not wish to go the voyage. Under the old law, when a sailor wished to leave the vessel under such circumstances, you could ship four new men, discharge the discontented ones, pay them off, and let the ship proceed on her voyage. Now, the Shipping Commissioner says, if you pay off any you must pay

off the whole, and the ship is ordered up to the dock at New York; the crew of twenty-eight men are paid off; many of them re-ship in the ship, and go the voyage, and the Shipping Commissioner puts in his pocket the fifty or fifty-six dollars, whatever is the amount of his fees. Now, that is the practical working of the law. Under the old law I could have sent down to Sandy Hook four men, taken out the four men that did not wish to go the voyage, pay them off and go on. Now, what was the requirement? This ship was compelled to tow up to the city of New York, and be entered at the Custom House, and she could not clear again until she had the certificate of the Shipping Commissioner. You get this, go to the Custom House, you enter, and you clear the ship; and she goes off rejoicing at last, and is clear.

Now, this proposition relating to the Shipping Commissioner does not belong to the steamboat law. It is apart altogether from that. The steamboat law I do not pretend to be familiar with, because that applies to rivers, the lakes, and small bays. You have a resolution there which covers it. I will offer, as an amendment to the resolution in regard to the Shipping Act, the following: "Also that vessels trading with the West Indies, ports on the Spanish Main in the Gulf of Mexico, and the Dominion of Canada, be relieved of compulsory shipment and discharge of seamen before, and payment of fees to, the Shipping Commissioner." Now, that was the first construction of the law that vessels on those voyages were not compelled to pay these fees, but the Shipping Commissioner got some decision of some judge, and we are now compelled to pay on a voyage where, perhaps, the shipping fee amounts to fifty per cent. of the wages. If you go between New York and an adjacent State, you do not employ the shipping officer; if you go from New York to Philadelphia, the State of New Jersey laying between, you must ship your crew by the Shipping Commissioner.

Mr. ALLEN, of Philadelphia: I will state now my reasons for moving that these two subjects be considered together. If you will recollect, the paper I read was drawn with a view of urging upon Congress the passage of a resolution creating a commission to take charge of all those matters, not only the shipping part of the matter, but also the building and regulating of steamers, and the management of steamers of every description;

that was the object of the resolution drawn by the steamboat people, and representing that interest.

As regards what Mr. COVINGTON said about the injury that might be inflicted by small vessels upon larger ones, upon the rivers, precisely the same state of affairs would exist on the ocean as on the lakes and rivers, under the law of 1851, which to a very great extent seems, until the last few years, to have been lost sight of, but which is nevertheless the law of the land. In a case in which some of us are interested in this very city, were it not for the application of that law of 1851, in restricting the amount of liability to the value of the vessel, private individuals, or at least other property of the corporation, would be taken for damage for inflicting injury which we claim was not the fault of the steamer doing it, but the sailing vessel. That question is to be tested. But I presume all gentlemen engaged in navigation, particularly ocean navigation, will bear me out in saying that the decisions of the courts have almost uniformly been that it is the business of steam vessels to keep out of the way of sailing vessels; and the consequence is, that the masters of sailing vessels have become exceedingly careless; for instance, one section of the shipping law says that sail vessels approaching steam vessels at night shall have a torch. I do not believe one out of a half-dozen undertakes to live up to the requirements of that law. Of course the captain gives his testimony that the torch was down in the forecabin somewhere, whenever anything happens. I want the Board to hear this resolution read, which will bring the whole matter up; and I think the Board can properly discuss and act on Article 7, with Article 15, and take them all together. Mr. YOUNG states in his letter, I believe, that on a small vessel to the West Indies he does not take any fees. Now, I think Mr. YOUNG gets two dollars on a line of steamers that run from here to New Orleans, and he calls those foreign vessels. The second resolution which I will offer is this, which will bring that part of the subject before the Board:

*Resolved*, That the officers of the National Board of Trade, on behalf of the Board, memorialize Congress to extend the provisions of the Act of 1851 so as to include within its provisions all enrolled or registered vessels of the United States.

The PRESIDENT: The state of this question is, first the consideration of the proposition of Mr. ALLEN in reference to the steamboat law. When that is disposed of, the proposition of

Mr. WETHERELL would come up in regard to the shipping law; and when that is disposed of, the proposition that Mr. ALLEN has just made, in regard to the amendment of the Act of 1851.

All the resolutions before the Board were then read by the Secretary.

The PRESIDENT: The first resolution submitted by Mr. ALLEN is before the Board.

Mr. COVINGTON, of Cincinnati: I can see no objection to that proposition — simply memorializing Congress for the appointment of a commission. It does not give any expression of this body to any particular views of the law regulating the navigation of vessels on inland water. If, however, the question comes up for the expression of an opinion as to the nature and character of the law regulating the navigation of vessels upon the inland rivers, I should like the subject to be very fully and carefully considered. I think that the gentlemen who live upon the seaboard are, perhaps, not very familiar with the peculiarities, I might say the technicalities, of inland navigation, especially as applicable to the rivers. I find that I know nothing, comparatively, of ocean navigation, and I was surprised when I heard the statements made here by Mr. WETHERELL, and I wonder at the imposition that ship-owners have submitted to so long in that matter. I can pledge you the vote of every member of this body living upon the western rivers, for any proposition that tends to the correction of the evils complained of by Mr. WETHERELL. At the same time I hope, if it shall be proposed to relieve western boatmen and western companies from the responsibility of their own acts in navigating the waters, that we shall have the same assistance, from the seaboard and from the lakes, that we are willing to accord them in remedying the evils that may exist in their system. The proposition that is now up I shall certainly favor.

Mr. THOMPSON, of Baltimore: I move that the pending motion be postponed, and that the Board take a recess of half an hour.

The motion was lost.

The PRESIDENT: The postponement is not agreed to. The question will be upon the adoption of the resolution.

The resolution was unanimously adopted.

The PRESIDENT: Now the propositions of Mr. WETHERELL are before the Board.

The resolutions were read, as follows:

*First* — That appointment to the office of Shipping Commissioner should be vested in the Secretary of the Treasury, and not, as now, be made by the Judges of Circuit Courts.

*Second* — The office of Shipping Commissioner should be a salaried office, and that all fees should be paid into the Treasury of the United States.

*Third* — That, as far as practicable, the office of Shipping Commissioner should be part of the Customs Department, and where possible the Collector of Customs should act as such officer; that seamen shall have the right to make contracts for a longer period than from voyage to voyage, under such regulations as may, by the Secretary of the Treasury, be deemed expedient.

Also, the amendment offered by Mr. Hincken, as follows:

Also, that vessels trading with the West Indies, ports on the Spanish Main in the Gulf of Mexico, and the Dominion of Canada, be relieved from compulsory shipment and discharge of seamen before, and payment of fees to, the Shipping Commissioner.

Mr. MERWIN, of New York, asked to have the propositions voted on separately.

The first proposition was again read.

Mr. MERWIN: I think, as a rule, an officer at the port where the payment has to be made, can make a more judicious selection than the Secretary of the Treasury, who is already overwhelmed with business.

Mr. WETHERELL: My objection is this: A steamship company may have a suit in the Admiralty Court; that Admiralty Court may call in the Shipping Commissioner, as an expert. His advice it is customary, I believe, to consider; that expert is under the pay of the steamship company to the amount of \$8,000 a year.

Mr. MERWIN: He would not be if the second resolution was carried into effect — that he should be a salaried officer.

Mr. WETHERELL: The other objection is this, which is equally forcible with the one I have stated, in my opinion,— that the judge of a court, whose duties are purely judicial, should not be saddled with a patronage of this sort. Where judges of courts are loaded down with patronage of that kind, in a little while they make an effort to secure advantages, by the amount of patronage they afford, and the practice is not a correct one. I think a judge should be kept free from patronage of this sort, and for that reason I hope the resolution, as offered by the Philadelphia Board of Trade, will be adopted.

The resolution was then submitted and adopted.

The second resolution was then read, submitted to vote, and unanimously agreed to.

The third resolution, embracing the amendment of Mr. HINOKEN, was then read.

Mr. ALLEN, of Philadelphia: I suppose there is one part of that resolution proposed, which may strike some of the members, particularly those from the inland cities, as being very strange. That is, that seamen should have the opportunity or privilege of making contracts for longer periods of time than one voyage; and yet it is, I believe, the law of the land, that a seaman cannot enter into a term of service, such as he may see proper, but it requires that he shall only make a contract for one voyage. Take a vessel, for instance, stopping at Havana; I believe it was the intent of the law that it should be looked upon as a coasting voyage, yet under the practice, those seamen have to be discharged and paid off at the end of each voyage, and the commissioner receives his fee of two dollars.

The resolution was then submitted to vote and unanimously adopted.

The PRESIDENT: The next proposition submitted by Mr. ALLEN is now in order.

The Secretary read the proposition, as follows:

*Resolved*, That the officers of the National Board of Trade, in behalf of the Board, memorialize Congress to extend the provisions of the Act of 1851

so as to include within its provisions all enrolled or registered vessels of the United States.

Mr. COVINGTON: I move now to add to that, "excepting those vessels navigating the waters entering into the Gulf of Mexico." In support of that I have to say that the argument used by my friend from Philadelphia, Mr. ALLEN, that it is at the suggestion of western steamboat interests, is an argument why it should not be adopted. There has been for several years past a conflict going on between the carriers upon the western waters and the shippers. They began first by emasculating their bills of lading, so that they did not amount to anything, do not cover anything, leave no responsibility resting upon the carrier. Now they have gone to work, in addition to that, and have memorialized Congress, have had a lobby there for years, and are working hard to get a reduction of the liability, for which they should be held not only as carriers, but really for the safety and protection of the lives of their passengers. He spoke awhile ago about the destruction of property, about the effect of the law in regard to collisions. That is one of the liabilities they are trying to get rid of. They have even gone further than that, and have incorporated themselves into companies, under our law, with a capital, say, of fifty thousand dollars, owning property that is worth three or four hundred thousand dollars, to get rid of a liability that they would have to bear under the general admiralty law. Now, sir, if this Board will except the rivers which I have suggested, they will be doing an essential service to the commercial interests lying upon the borders of those rivers. They will be serving the merchants and the mercantile interests, the shops, the farms, everybody who has to rely upon these steamboats for the transportation of their merchandise and of their products. The steamboat companies have their organizations. They form a solid, substantial front in favor of legislation exclusively for themselves. Every member of this Board knows how difficult it is for all the various industries that have to rely upon transportation by steam upon the western rivers to form any combination that will make it at all formidable or effective. These people will look to this Board for something indicating a determination to protect their interests, and to save them from the inflictions which must come from the combination of the steamboat interests on the western waters. I hope that the motion to amend

by excepting the rivers entering into the Gulf of Mexico, may be adopted.

Mr. BOYNTON, of New York: There are many gentlemen here who are not familiar with the steamboat law of 1851 that we are asked to indorse, and to which an amendment has been suggested. I would like to hear what that steamboat law is. I should like to hear it read before I can act competently upon this subject.

Mr. ALLEN, of Philadelphia, read the act referred to, after which he said:

I believe this is a measure that would be generally acceptable to Cincinnati and Louisville, and I wish that Mr. GROSVENOR would say something upon the subject.

Mr. MASSEY, of Philadelphia: I move to postpone the subject now before the Board for the purpose of considering a motion to take a recess.

Agreed to, and the Board voted to take a recess for half an hour.

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The Board reassembled at two o'clock P. M., pursuant to adjournment.

The PRESIDENT: The Secretary will read a communication announcing the arrival of other delegates, and another that he has.

The SECRETARY: I have the credentials of WILLIAM G. SUMNER, of the New Haven Chamber of Commerce; also a communication from the headquarters of the Schuylkill Navy, inviting the members of the Board to witness a regatta upon the Delaware river on this and to-morrow afternoons.

On motion, the thanks of the Board were tendered for the invitation.

The PRESIDENT: *Gentlemen*, I have another communication which it affords me unalloyed pleasure to present. It will be recollected that this morning a resolution was passed authorizing the withdrawal of the St. Louis Merchants' Exchange from this

body. I have just received a letter from Mr. BARTON ABLE, of that Board, which I would desire to have read, and then I hope some gentleman will move to reconsider the resolution by which that Board was permitted to withdraw, and allow them to remain in good standing, if they shall desire still to do so.

The Secretary read the communication from Mr. ABLE.

It was moved and voted that the resolution by which the St. Louis Merchants' Exchange were authorized to withdraw from the Board be reconsidered.

Mr. BOYNTON, of New York: I move that the St. Louis Merchants' Exchange be allowed to recall their request to withdraw from this Board.

Mr. GROSVENOR, of St. Louis: I desire to say, as a member of the other organization at St. Louis, that the only intimation I had that the Exchange, which I represented at the last meeting of this Board, desired to withdraw, was on Saturday before I left. A very imperfect statement reached me in regard to what their intentions and wishes were, and I was not able to make such statements to the committee as would warrant them in not acting upon their application. I expected a letter would come from them in time to enable them to withdraw their application.

The motion to allow the application to be withdrawn was unanimously agreed to.

The PRESIDENT: When the Board took its recess, the question was on the amendment offered by Mr. COVINGTON to the motion of Mr. ALLEN, excepting from the operations of the resolution offered by Mr. ALLEN, the waters flowing into the Gulf of Mexico.

Mr. GROSVENOR, of St. Louis: My friend, Mr. ALLEN, probably desires to hear from St. Louis, a city perhaps as much interested as any other in the movements of freight, by water and land, and I would wish to explain why I oppose the passage of such a resolution at this time. I know very well that nearly all the business men of St. Louis have, at one time or another, felt disposed to favor what was known as "The Steamboat Bill." I know that their representatives in Congress, and their senators,

have unanimously voted for and advocated that measure. I know that the general tenor of opinion of the people there would be in favor of that measure, but at the same time I think that the matter has never been so considered that they fairly understand the meaning of the act before Congress. It is, in substance, the application to the inland waters of the provisions of the Act of 1851 — an act not immediately accessible to business men generally; an act which perhaps not half a dozen of them have ever considered in detail; an act which, in one or another of fifty clauses, may affect, under decisions of the Supreme Court, very materially the relations of shippers toward the transporting companies in a way which the shippers themselves may not comprehend; an act which has been framed in the interest of the transporting companies, and very assiduously urged by them upon the attention of Congress for a number of years, evidently for reasons better known to themselves than the outside world,—and under those circumstances I have felt that since I do not understand, and since I know that many of the business men of St. Louis interested in this matter do not understand, the provisions of that bill, it would be pretty difficult for me, as a delegate in this Board, to ask gentlemen from other portions of the country to recommend it to Congress. It seems to me that the great vice of business of this description has been immature and hasty action — decision without careful consideration; and I will, therefore, if permitted by the withdrawal of the motion of my friend from Cincinnati, move that the subject be referred to the Executive Council for examination and consideration. I do not feel myself willing to vote for the proposition without knowing more about it, and I do not think the Board will, and I think the proper course will be to refer it to the Council.

Mr. COVINGTON: I will withdraw the amendment for that purpose.

The PRESIDENT: The amendment of Mr. COVINGTON is withdrawn. The question now recurs on the proposition as offered by Mr. ALLEN. Mr. GROSVENOR moves that that resolution be referred to the Executive Council.

Mr. ALLEN: Which I second.

The motion was agreed to, and the resolution so referred.

The **PRESIDENT**: The question now recurs upon the final adoption of the resolutions that have been concurred in, the first one offered by Mr. ALLEN, and the others by Mr. WETHERELL, as amended by Mr. HINCKEN.

The question on the final adoption was put, and unanimously agreed to.

The eighth proposition on the programme was then read, as follows:

The discussion of measures deemed necessary to remedy existing evils or abuses in the conduct of the transportation business, and such as may mutually benefit the diversified interests of the country, and give stability, security, and a reasonable return to the capital legitimately invested in transportation enterprises.

**Mr. BAYARD, of Baltimore**: In the inception of this discussion, which offers no doubt many topics of interest, I desire to ask the attention of the Board to a subject which has already been partially brought before it. I refer to the question of bills of lading, more particularly in reference to the arbitrary conditions imposed by the ordinary phraseology of bills of lading, in contravention of the principles of common law, as refers to the responsibility of carriers. I have before me a communication from the Merchants' Association of London, in the nature of a circular, that embodies the result of a meeting held in London on the 25th of February, which I ask permission to read.

[Mr. B. read the circular, which very fully sets forth the unwarranted interpolations that have been from time to time incorporated into bills of lading, and vigorously protests against their further toleration by the commercial interests of the world.—**SEC'Y.**]

This communication was forwarded to us by correspondents in Great Britain with a request that we use such influence as we might command to agitate the subject in this country; and, not to trespass too long upon the patience of the Board, I ask leave to submit a resolution for the purpose of having this question properly discussed and reported upon, as follows:

*Resolved*, That the subject of bills of lading be referred to a special committee of three, appointed by the President, with a request to consider and

report to-morrow upon a plan for defining by statute the responsibilities of carriers, whether by means of ocean, river or inland navigation, as to the transportation of merchandise, and particularly to inquire into existing abuses in the ordinary terms of bills of lading, arbitrarily imposing conditions in contravention of the common law, and to report upon the expediency of action by the National Board of Trade looking to the removal of said abuses through enactments by the several States, or by the United States, of uniform laws on the subject.

I beg leave to offer that resolution.

The PRESIDENT: The Board has heard the resolution submitted by Mr. BAYARD. What is your pleasure?

The resolution was voted upon, and adopted.

The PRESIDENT: The committee will consist of Messrs. BAYARD of Baltimore, MEISSNER of New York, and ALLEN of Philadelphia.

The PRESIDENT: Are there any other propositions to submit on the subject of transportation?

Mr. THURBER, of New York: I have read the report of the President, on the subject of transportation, with a great deal of interest, and approve of it, in most parts, heartily. It seems to me, though, that in some points it has not been quite comprehensive enough, and that it will be necessary, in order to get the views of this Board in specific form, to embody them in resolutions. If that meets with the pleasure of the Board, I would suggest that a committee of five should embody the gist of this report in resolutions, which could be presented to Congress as embodying the views of this Board upon this great subject. There are some details of the transportation question that are not touched upon in this report, and I would like to see some recommendation that transportation companies should receipt for quantity at the place of receipt, and deliver the same at the point of delivery. There are also some others which I think would come up, and among others a provision which would require the publication, at every point of shipment, of rates and fares, embracing particulars of distance, classification, and so forth, and also of the advisability of giving the public a reasonable notice of a change in such rates and provisions; and I would move that such a committee be appointed to report a series of resolutions, which can then be

discussed separately, and adopted or rejected, as the Board may see fit.

Mr. HENRY, of New York: I second the motion for a committee of five.

Mr. How, of Chicago: Would it not be proper that the report submitted by the President should be read at this time? The reading of it was postponed until the subject should come up.

The PRESIDENT: It has been extensively circulated among the members, and I have no doubt it has been read to a considerable extent. I do not feel any pride in having it read. It would be a consumption of time that might be better employed. In preparing it, I attempted to address myself especially to the propositions that were referred to the Executive Council, and not to go upon any other points than those that were presented by that resolution. I am quite willing that it shall go before the Board for whatever merit it may possess. I am aware of its imperfections and its want of thorough discussion of all those points, but my object was to compress it within some reasonable limits, so that it would not be a burden to read, and to make it rather suggestive than otherwise.

The reading of the report was, for the reasons stated by the President, waived. It was as follows:

*To the National Board of Trade:* At a meeting of the National Board of Trade, held in the city of Chicago, in October, 1873, the following resolution was adopted:

*Resolved,* That subject No. 5 (Transportation) be continued on the programme, and referred to the Executive Council with instructions to investigate and report at the adjourned meeting; especially upon the effects upon the cost of transportation, of combinations between railway companies; of leases of roads; of the conduct of so called "fast freight lines;" of the tariff upon iron; of construction mainly by bonds without full payment of stock subscribed; and of watering of stock; and upon the remedies that may remove existing evils.

And at a meeting of the Executive Council, held in the city of Washington, in December, 1874, the President was requested to prepare a report on the said resolution.

It will be recollected that the adjourned meeting was held in the city of Baltimore, in the month of January, 1874, and that

the short time which elapsed between the two meetings did not permit the report to be prepared as requested by the resolution.

At the time of the adoption of the resolution, a committee of the Senate of the United States, of which Senator Windom, of Minnesota, was the chairman, were engaged in an examination of the subject of transportation ; of the various routes, water and rail, over which the products of the country were carried, and in collecting evidence on the cost of transportation, the causes at work for inflinencing charges, and indeed the whole field covered by the terms of our resolution.

The report of that committee, and the evidence upon which it is founded, with a very copious appendix of much statistical value, was made to the Senate in April, 1874, and has been extensively circulated. It is very full and exhaustive, and to a great extent presents answers more or less conclusive on the points which have been referred to me.

I therefore find great difficulty in attempting to discuss and illustrate the questions presented in the resolution of our own Board.

I think that no satisfactory solution can be reached, unless we start from the most elementary principles, and, by enlarging upon them, reach up to the standards by which our present systems of transportation have been established.

It is a trite truism, that transportation is the heaviest tax upon the industry of man. In his rude and savage state, when carriage of food, implements for the chase, or of his rude tent, was all that he needed, he did not feel the cost of it as a great grievance, for his time was not deemed of much value.

But as single families swelled into tribes, tribes into nations, and nations began to have intercourse and trade with each other, carriage became a matter of grave consideration, and we soon find a resort to various devices and constructions to cheapen it.

Rude roadways and beasts of burthen make their appearance, and these are followed by rudely constructed wheeled vehicles. These are followed by improved forms of such vehicles, and at length we reach a stage where the modern cart and wagon come into being and use. The necessity of crossing lakes and rivers produces the rude boat, and it is followed by vessels of more complete construction and larger size, until the river is threaded for its entire length ; and that accomplished, man ventures into the bays and along the shores of the ocean.

As population increases and centralizes, and as the different centers commence dealing and intercourse, more and more attention is given to the improvement of roadways, and even to the removal of obstructions in rivers, and thus step by step the cost of carriage is diminished.

Without dwelling on these illustrations, we find that the effects of civilization, and its attendant improvement in the mechanic arts, had produced a condition of things in Europe and in the densely settled portions of the United States, at the beginning of the present century, which may be considered as the perfection of transportation, unaided by the use of the steam engine, for propulsion, or the construction of canals and railways.

With the best turnpike or stone roads we then had, and some of them were considered marvels of perfection, the lowest cost of carrying one hundred pounds of freight (ordinary merchandise) from Philadelphia to Pittsburgh, was about one dollar and twenty-five cents, and of the bulky products of the then West to Philadelphia, from the same point, from seventy-five cents to one dollar per hundred pounds. This afforded transportation in its best and cheapest form, until the year 1825, when the New York and Erie canal was completed, followed, as it soon was, by the great canal systems of Pennsylvania, Ohio, Indiana, and Illinois.

These artificial arteries of trade wrought a great and favorable reduction in the cost of transportation, and the general introduction of steam vessels on the great lakes, and on the navigable rivers of our country, seemed to complete the conquest of the drawbacks on trade, and to solve the problem of carriage to general satisfaction.

But soon the rude iron railway was introduced, and horses and mules made to draw upon it what seemed fabulous loads. Then, by the genius of Stephenson, the imperfect locomotive engine of Evans and others was brought to a degree of perfection that challenged the admiration of the world. By successive steps, and in different hands, that marvel of machines has reached the perfection in which we now possess it, and the railway and its equipment give us, in its yet cheapest form, one means for the transportation of passengers and valuable freight. Meanwhile, the advocates of water routes have not been idle: canals have been enlarged, rivers have been improved, and the same potent machine, the steam engine, has been harnessed to the barge, the river ship, and the mighty vessels which now crowd the ocean.

Each and all of these agencies, single and combined, have been working to relieve us from the heavy tax of transportation, but, as with all things human, they are necessarily mixed with some evils.

With transportation such as it was in its best shape at the beginning of the present century, our present teeming and populous West would be now a wilderness.

These mighty changes have been effected by bold enterprise, untiring energy, and enormous expenditures of money.

And having so considered the successive stages by which existing results have been accomplished, we are now better prepared to consider the points on which we are requested to report.

We shall endeavor to consider and illustrate them in the order in which they are named.

#### OF COMBINATIONS BETWEEN RAILWAY COMPANIES.

The effects of such combinations on the cost of transportation are naturally and generally to produce an increased charge for carriage. Of course we limit this expression of opinion to combinations of *competing*, not continuous, lines. The development of railway enterprises usually takes this form: First, a railway is constructed between given points, and starts with what seem, as compared with the rates of an ordinary road, very moderate and favorable charges. At these rates it pays very good, sometimes quite large, dividends to its stockholders.

New parties, tempted by such rich returns, lay out and construct a new road, and probably by the use of the old one for the transportation of materials, or a more careful survey, or a shorter line, get *their* work completed and equipped for a less sum than the first adventurers have expended.

The territory penetrated by the two roads is not sufficiently productive or active to furnish full freights and employment for both companies; and then, immediately a fierce contest begins between them to grasp and monopolize what trade there is, and to get it each reduces its charges as the war goes on, until a point is reached where nothing is earned by either for the stockholders, and in many instances such large losses are incurred that considerable sums are borrowed to make good the deficiencies in receipts from the business done. And, finally, when both parties are so embarrassed and harassed by losses as to be either bankrupt or very near it, they agree to make peace, to divide trade, and to

charge such prices as will make up for past losses, pay off debts, and remunerate stockholders for lost dividends, and give them good ones in the future.

As soon as they have reached this happy and satisfactory condition, a third party steps in and repeats the history of the second enterprise, and after running the same disastrous round, the three combine in the same way, and the final result upon transportation is that the cost of it is unnaturally and unjustifiably increased.

#### OF LEASES OF ROADS.

It does not always follow that the leasing of a road effects an increase of transportation charges.

Such increase can only legitimately arise from the lease of a competing road, and in this case the leasing effects a more complete and crushing monopoly than a combination, which may be, and often is, terminated by personal or social influences.

But a lease of a continuous line may be of great public advantage, and be beneficial to stockholders. It simplifies management, and the use of engines, rolling stock and other equipments, and by the introduction of a co-operative principle, tends to economy and cheapness of management.

#### OF THE CONDUCT OF "SO CALLED FAST FREIGHT LINES."

This is quite a difficult point to consider and solve. The arrangements of a railway company for the transportation of freight must ordinarily be based on the quantities of different articles which are regularly offered for carriage. They must, in a general way, not send out trains partially laden, for this would be a waste of power and equipment.

Their aim is, and should properly be, to so adjust their work that full trains shall be carried in both directions. But in practice, this must be open to many contingencies and often be departed from.

It may happen that the quantities going in one direction greatly exceed those coming in another, and to meet this, empty cars must be transported to the overburthened place. To make the evil and cost flowing from such a state of affairs as small as possible, freight is also held in the depots as long as possible; and to obviate the complaints which shippers make for such detentions, the fast freight lines have been established. They are

chiefly used for the most valuable kinds of freightage, and experience shows very speedily to what extent there is a demand for rapid deliveries. Such lines require, for their management and success, skilled, active and energetic men, who will hunt up freights and seek to interest keen men of business in their lines, by pointing out the advantages which rapid deliveries will give them. It is often of great importance to a merchant that he shall get a shipment speedily into market to meet an emergency of which he is advised, but which is not generally known, and the fast line fits his plans and serves him admirably. Such are the legitimate uses of fast freight lines, but it unfortunately happens that they labor under a perhaps well-founded suspicion that they are made the instruments by which the officers and employees of railway companies are enriched. When they are so used they undoubtedly tend to increase the cost of transportation, and to prejudice and injure the regular business and traffic of a railway.

#### OF THE TARIFF UPON IRON.

It is impossible to determine satisfactorily to what extent, if any, the tariff duties on iron affect the cost of transportation on railways. The construction of roads, and the erection of furnaces and rolling mills, have gone on to such an extent together, that they now form almost essential parts of the same system.

In the early period of the railway, the supplies of the rails were largely made by the foreign mills, and the liberal offers made by the proprietors of those establishments to take a large portion of the pay for rails in the stocks and bonds of the roads, seemed to insure their construction at low prices. The allowance of the importation of railway iron, at very moderate rates of duty, gave such an impetus to the construction of roads, and the consequent issue of stock and bonds to pay for them, that it naturally followed that the foreign iron-masters, having such large demands for their productions, and receiving, in part pay for them, that which was not really money, soon raised their prices to a point that caused the tariff duties to be of more importance as an element of cost than they were at first.

Such increase of prices would naturally encourage the building of furnaces and rolling mills in the United States, and when these began to assume importance in number and power, the proprietors of them secured protection to the interests they rep-

resented by modifications of the tariff and increase of duties. The competition thus established between the foreign and domestic producers of iron has, in my judgment, had a salutary effect in establishing moderate prices for rails, and I am inclined strongly to think that the tariff, in its effects upon railway charges, has been more beneficial than otherwise. The establishment of furnaces and iron mills at numerous points on the lines of railroads, has had the effect, too, of furnishing rails as nearly as practicable to the places where they were to be used for the construction of additional tracks, or for repairs, and the advantage of having the worn rails speedily, and without much expense for transportation, remanufactured, been highly economical. These furnaces and mills have made great home markets for the farmers near at hand, and they have thus been relieved, to a considerable extent, of the burthen of the transportation tax on the products of their farms.

On a careful consideration of the tariff question, as affecting the cost of railway transportation, and by a comparison of the different rates of duty imposed on imported iron during the past forty years, I am clearly of the opinion that the average of such duties for the whole of said period has operated to produce cheapness in transportation.

OF CONSTRUCTION MAINLY BY BONDS, WITHOUT FULL PAYMENT  
OF STOCK SUBSCRIBED.

Construction of railways on the basis thus expressed, has undoubtedly been erroneous and extremely costly to the public. It is usually resorted to when the success of the line is involved in great doubt, or when it is intended to penetrate a wild but fertile and unsettled country. The projectors of such lines draw largely on the future, and the bonus which they are willing to pay in the shape of discounts on loans, and in gifts of shares, is the temptation to capitalists to risk their money on doubtful security. If the benefits hoped for from the construction of the road are realized, they may be said to be shared by the pioneer settlers, who thus speedily obtain access to market; but the evil of the increased cost which such a system involves, surely shows itself as time develops the load which has to be carried, and the injurious effects of the process are now manifest in all quarters; many of the existing lines are tainted with the process to such a degree that in charging rates that will pay interest and dividends,

they compare so unfavorably with roads constructed on sounder principles, that they justly become the objects of public complaint.

It is often said, that if the roads had not been so built they would not exist at all; but, except in some rare instances of great public necessity, such as those of the Pacific roads, we should really be better without them than to have them at such fearful cost.

#### OF WATERING OF STOCK.

The process described by this phrase has gone to such lengths that it is not surprising we shall have it arraigned for trial. What was ventured on at first in this way, cautiously, in small proportions and with some show of propriety, has now assumed a magnitude that demands scrutiny, and often the severest condemnation. It has made its insidious way from the great difficulty of keeping construction accounts and expense accounts strictly separate. To illustrate this, let us take the case of a new road built with a single track with sidings of short lengths, rude and cheaply constructed depots and station houses, with a small stock of engines and cars, and some of these bought at second-hand, the rails light, and sometimes partially used.

Now, such a road is opened for business, and being favorably located, gets it. The imperfection of construction, inadequacy of equipment of depots, sidings, etc., call for immediate and constant enlargement and changes of all kinds. As while these are in progress, the company is receiving money for sales of stock and loans, the receipts from these are mixed in the treasury with the receipts from traffic. The expenditures for repairs and renewals are fairly charged while everything is comparatively new. After a while, it is found that new bridges have been built, new engines and cars purchased, new depots and stations built, in place of old ones removed, and as the old ones have been worn out, sold or destroyed, these have taken their place, and been charged to the expense account.

The company finds that so charged, the income that is left will not justify the declaration of the usual dividend, say ten per cent. per annum. Then some shrewd officer suggests that the expense account should be reopened and credited by construction account for a large part, and in some cases, the whole amount of the charges for the new (substituted for the old) constructions

and equipment. As this change in the accounts will apparently justify the declaration of the usual dividend, there is no difficulty then in selling the new stock which is issued on account of construction, and the arrangement is such a success, that it is often periodically repeated. In its worst form, watering of stock is made by a wholesale valuation of the entire line of a road and its equipment at a time when an abnormal condition of prices exists, as was the case notably about the year 1864, and such a revaluation showing a large increase over the cost as charged on the books, has been boldly and unscrupulously converted into stock, and in that form distributed as a dividend to stockholders. In such a condition of things, when stock is watered on either of these plans, the efforts of the managers are sedulously directed to the attainment of the largest rates of charges in order to pay full interest and dividends on the amount represented by loans and stocks. Watering of stock is then one of the most potent agents in increasing the cost of transportation, and justly merits the strongest condemnation.

#### UPON THE REMEDIES WHICH MAY REMOVE EXISTING EVILS.

In so vast and complicated a system as that of our railways, with so many innocent people holding investments in the stocks and loans of the companies, it will be found very difficult to get Congress, the legislatures of the several States, or the public to agree to and apply adequate remedies for the existing evils.

Some imagine that Congress, by the use of its right of eminent domain, and of its power to regulate commerce, may take possession of the entire railway property in the United States, pay a proper valuation for it, and establish a general system of management and regulation, that shall furnish the public with transportation at *cost*. We suppose *cost* must be understood to pay five or six per cent. interest on the valuation, to provide for repairs and renewals, and to enlarge construction and equipment as the increase of population and business would demand.

This is simply utopian, and if it be conceded to be within the power of Congress to authorize such measures, it is manifest that it is practically impossible to carry such a plan into effect by any organization of public agents the Government could make.

Any organization intended for such service would speedily reek with corruption and favoritism, the safeguards of individual interest and responsibility would be wanting, and the despotism

of such a management would be infinitely worse than all we suffer now.

But as these railways are all public highways, and managed by corporations created by the States, and owing their existence and franchises to the exercise of the right of eminent domain, they are undoubtedly amenable to State legislation, control and regulation, and can fairly be dealt with under wise and efficient laws. We have begun to know and realize the extent and nature of our grievances, and earnest and thoughtful minds are everywhere at work on the great problems. Crude attempts have been made in some States to bring the railway companies under control, but they have been affected by too much hostility and passionate public prejudices. To be successful, we must be just and reasonable in our demands, and we must proceed cautiously, as well as steadily. The points suggested by the resolution which I am considering present different evils existing to different extents, and in different quantities, and will require different methods of treatment. No single rule will cover the whole ground; nor can the legislature or people of a single State remedy anything beyond their own borders. But we are sufficiently clannish and imitative to follow good examples when they are set for us, and this characteristic is as manifest in railway charters as in our speech and personal habits. How, then, shall we begin the process of reform and regulation?

In every State, I think, will be found some officer or bureau that has charge of the public works, and in many of them railway companies are obliged to make annual reports, under the oaths of their officers, of their receipts and expenditures, and minute details of the construction and equipment of their works, and statistical information of varied character. A careful examination of these reports, and comparisons of those of one year with those of other and succeeding years, would show the working and management of each road, the leases, purchases, or consolidations it had made of or with other roads. Some of the questions now asked might safely be omitted, while new and important ones should be introduced, especially such as would show the arrangements made for combinations, co-operations, special arrangements for freight and express lines, and for palace and sleeping passenger cars. Such reports, skillfully called for, would lay bare the whole system of our railways, as to construction, management, equipment, charges, expenses, and profits, and

would be the bases on which amendatory and remedial legislation could be wisely founded.

Wherever existing charters are amendable by their own provisions, or by virtue of constitutional reservations, there should be no hesitation in adopting and applying remedies for any well established grievance or abuse, and in cases where charters can be reached only by the exercise of the right of eminent domain, that legitimate power should be fearlessly and freely used for correction, the State making fair and full compensation for any valuable franchise or property that was to be abrogated, or taken for the public use.

To make information general and useful, the officers of the several States in charge of public works, should meet, confer, and correspond on the details of the railway system, and frame uniform rules for obtaining information. They might also agree on forms of general laws, to be submitted to the legislatures, which, by their adoption, would lead to uniformity.

Special acts of incorporation, and special legislation for the granting of special privileges, should be abolished, and all railway companies should be constituted under general laws, each company to have like privileges, and be subject to the same duties and responsibilities, and all combinations and consolidations with, and purchases or leases of, parallel and competing lines, should be prohibited under severe penalties, running even to the forfeiture of charters.

As a further measure for reform, the annual reports of the railway companies should be rigidly scrutinized, and if in any case it be found that the amounts charged for construction or equipment have been increased, proof should be made that such increase has been made for new property acquired, or for additional new tracks or new and necessary work, or for additional supplies of new engines and cars, and that these have been no mere substitutions, in any case, of new for old.

And more fully to guard against frauds and false entries, actual inventories of the property should be furnished and proved, and no reliance be placed on mere book entries.

After such a verification of increased cost, the company should before issuing stock, or certificates of loans to represent such increase, be compelled to make application to the auditor general of the State for the proposed increase, and on his warrant duly granted, on the proper proof, the company should

be allowed to make the additional issues. And if it should be found, by the inspection of such accounts, that expenditures made for conducting the business and traffic of the company, or for repairs or renewals, had been charged to other than expense accounts, and dividends had been declared upon such a false state of affairs, all further dividends should be absolutely prohibited until the amount so taken for dividends had been replaced by new earnings.

So much experience has been accumulated on the subject of working railways, that regulations might be framed by some competent authority to designate by law maximum rates to be charged per ton per mile on the existing classifications of freight, and also for depot and loading and unloading expenses.

This last class of charges should be separated from the charge for transportation, because they fall on the company to the same extent, whether the freight goes a few miles or many. For instance, if the terminal expenses amount to forty cents per ton, they alone would be four cents per ton per mile, for a distance of ten miles, and if a proper charge for use of railway and equipment be estimated at two cents per ton per mile, the reasonable charge for such a distance would be sixty cents per ton or six cents per ton per mile.

Now, if the same freight went one hundred miles, the total charge would be two dollars and forty cents, or two and four-tenths cents per ton per mile, and such an arrangement of charges is fair and just to both parties. When fairly acted on and understood, this equitable arrangement ought to do away with much of the clamor and complaint that is made against charges for way freights and short distances. As distances increase, the terminal charges gradually sink into almost insignificance in the cost of transportation.

It would be a wise and salutary movement if all the indebtedness of railway companies could be converted into stock. The complex and diverse interests that are created by mortgage piled on mortgage, and the conflicts which arise among creditors when a company gets embarrassed tend to enhance the cost of transportation, and these evils are increased by the establishment of sinking funds, so called, to pay off debts. While the debt remains the public are taxed to pay it off, and when it is discharged by the operation of the sinking fund, new stock is created and distributed to the stockholders for the full amount, so that the pub-

lic gets nothing in the way of a reduction of the cost of a road which they have thus paid for.

All roads should be built solely on capital stock, and the most that stockholders should get for advancing their money for a new work, in addition to the profits earned from it when completed, is the allowance of a reasonable rate of interest to be paid in stock for the time the road has been constructed.

Other remedial measures will be found in keeping up the great natural and artificial water highways of the country. The rivers should be cleared of obstructions, the canals be kept in good order and enlarged, and harbors should be improved. Transportation on a railway must, as a necessity for safety, be confided to one power, which can act with uniformity and promptness.

But the water highways permit numerous ways in which they can be used, and different speeds and many stopping places may be adopted. Taken with these advantages they will be found to furnish the least costly forms of transportation for bulky and non-perishable products, and by the competition which they can at small expense establish, they tend greatly to check exorbitant charges on railways that penetrate the same territory.

Finally, the most effectual remedy for the existing evils of railway charges will be found in the increase of population and the diversification of the employment of the people. These will create home markets for the farmer and planter, producers and consumers will be brought close together, and the tax of transportation will practically die out. We have reached this condition already in some of the States, and it is destined to spread.

The promotion of our home industries, not by prohibitory tariffs, but by revenue laws that will afford incidental protection by moderate and discriminating duties on imports, will be one of the best methods for correcting abuses in transportation.

Respectfully submitted by

FREDERICK FRALEY, *President.*

PHILADELPHIA, June 15, 1875.

Mr. ALLEN, of Philadelphia, asked to be excused from serving on the Committee on Bills of Lading, on account of being obliged to go out of town this evening.

And he was so excused.

The PRESIDENT: I would nominate Mr. GROSVENOR, of St. Louis, in Mr. ALLEN's place.

The present motion is that the report of the President on transportation, be referred to a special committee of five, to embody those parts of it that they think fit in a series of resolutions, to be submitted to the Board.

The motion to appoint such a committee was unanimously agreed to.

Mr. GROSVENOR, of St. Louis, asked to be excused from acting on the committee on the subject of bills of lading on account, as he said, of his lack of practical knowledge of the question.

Mr. BAYARD, of Baltimore: I must be permitted to object to the withdrawal of the gentleman from St. Louis from the committee. I think his modesty overrules his judgment. I beg also to move that the number of the committee be increased to four, and that Mr. How, of Chicago, be added to the committee.

The motion was put and agreed to, and Mr. How was added to the committee.

Mr. HOLTON, of Milwaukee: *Mr. President*, the first proposition on the programme was yesterday, on the motion of Mr. STRANAHAN, tabled. It was brought before our Board some two years ago by a very leading member of the Boston Board of Trade, Mr. CANDLER, an eminent shipper from that port, and we passed affirmatively upon that subject. Now the interpretation of putting it upon the table would be that we take the back track upon that question. As to the advisability of bringing forward subjects once and again I am not now speaking, but being once upon the programme, if we proceed to lay it upon the table I think it is fairly to be interpreted as going back on the proposition. I therefore move to reconsider the motion by which that proposition went on the table. It was as follows:

*Resolved*, That the Board reaffirms its conviction that all capitation taxes collected from or upon emigrants, whether imposed directly or indirectly, with or without color of law, are unjust and odious, and ought to be abolished.

I move to reconsider the motion that laid that upon the table.

Mr. EGGLESTON, of Ohio: Perhaps it would be more courteous for us to lay the matter of reconsidering this question over a little, until Mr. YOUNG, of Baltimore, who spoke yesterday upon the question, should come in.

Mr. HOLTON: I am willing to let the question lie until Mr. YOUNG is present, if the motion to reconsider will then be in order. I thought it might be necessary to make it the next day after action.

Mr. BAYARD, of Baltimore: I beg to explain that Mr. YOUNG is absent, from indisposition, to-day; and as both of my colleagues are absent from the floor, I hope that the question of reconsideration will not be pressed at this time.

The PRESIDENT: With Mr. HOLTON's consent, the question on reconsideration will lie over.

I will now nominate the committee upon the report on transportation: Mr. THURBER of New York, Mr. EGGLESTON of Cincinnati, Mr. SMITH of Milwaukee, Mr. EDSON of New York, and Mr. POTTER of Iowa. If there be no further propositions in regard to the transportation question to be submitted, we will proceed with the next matter upon the programme, from the Board of Trade of Mobile—the ninth proposition.

Mr. EGGLESTON: I notice you have named me as one of the Committee on Transportation. I am already on one committee, which will perhaps take all my time; and I would suggest that my colleague, Mr. LEVY, take my place.

Mr. LEVY was substituted on the committee in place of Mr. EGGLESTON.

The ninth proposition was then read by the Secretary, as follows:

WHEREAS, The matter of the transportation of grain, and other productions of the great West, to the seaboard, is one of vast and constantly increasing importance, and one to which the attention of the whole country is being turned, and

WHEREAS, The Mobile Board of Trade is satisfied that, at comparatively small expense, constant and uninterrupted water communication can be opened from the Tennessee river to the Gulf of Mexico, both by the waters of the Tombigbee and Coosa rivers; therefore,

*Resolved*, by the National Board of Trade, That there should be opened, on national account, and under national superintendence, and without delay, uninterrupted water communication between the Tennessee river and the deep waters of the Bay of Mobile, by the two routes indicated.

The PRESIDENT: That proposition is now before the Board.

Mr. PRICE, of Mobile: *Mr. President*, I confess, in the outset, to some embarrassment in presenting this subject to the Board, arising from more than one cause. First, sir, if I undertake to present the matter in anything like its general bearing, it will take much more time than I would like to occupy; secondly, and more particularly, from the peculiar wording and shape in which the proposition is made. Now, sir, I wish, as I have been abundantly admonished on that point, not to encroach in any degree upon a discussion of the power of Congress upon these questions, for I think I am properly on the record in that direction, and yet we see from the nature of the proposition itself that the work proposed is proposed as one of national importance, and one that should be undertaken, as the resolution expresses, on national account, or under national superintendence, and without delay. That, sir, is not in exact accordance with my own feelings in reference to the matter, and with the opinions which I am known by this time to entertain; but leaving out of view that part of the question, and endeavoring as best I can, and as briefly as I can, to present the project on its merits. Without reference to how, I will now address myself to the why and wherefore; I have quite a number of documents — statistical documents, actual surveys, maps, reports, etc., bearing on this subject. If our hall was so situated that I could exhibit this map, it would illustrate some of my views; but as that is impracticable, I shall have to rely on the knowledge of geography on the part of my hearers. I notice, I would say, in passing, in the *Times* of this city, an article quoted from the *New York World*, which paper is not very much given to going back on the South, a little paragraph that does not exactly suit my purposes in reference to the project I have now in hand. It designated the proposition of opening the waters of the Tennessee and connecting them with the deep waters of the Gulf as being impracticable, and the reason given was, that it was one of these lines that went up and down the country, and not one of those from west to east.

Now, that sounds very well for a New York paper, but it would not have sounded very well for the writer of a New York paper about the time the Erie canal was being constructed; that is about all the answer I have to that kind of argument. The argument goes on to say that the drift of commerce of this age is from east to west. I beg to say that possibly that is so, and perhaps it may remain so for a long time; but these effects all have their causes, and, if I mistake not, the principal cause upon which that state of facts is founded had its origin and rests to-day mainly upon the fact of the establishment of the great Erie canal running almost north, I believe, from New York — one of those up-and-down-country concerns. It is, I think, a proposition that cannot be successfully contradicted, that it is that which calls the capital of the country to a common center. New York did not get its money and financial power from any intrinsic merit in New York. It has been asserted by some very clear writers on this subject that transportation and the facility of bringing the western products east, cannot be discussed without discussing more or less the effects on commerce wrought by the Erie canal. Those of you who have read the report of the Senate Committee on Transportation will remember that the second volume almost wholly is taken up by the examinations of leading and very well informed gentlemen engaged in the different methods of transportation in this country. That volume opened with the examination of Mr. Hayes, who is a railroad man, and you will find, by reading that examination, that Mr. Hayes is brought, by some very searching questions of the committee, to admit the fact that the railroad systems of the country, as transporting mediums, are compelled to regulate their rates and their capacity, within certain bounds, by the water rates of communication by the Erie canal and the rivers, wherever they come in competition. And that simple word — competition — in my humble opinion, is the solution of the whole difficulty of transportation in this country.

Now, then, if gentlemen will for a moment allow their eyes to fall upon the Gulf border, particularly the Mobile bay, and see running inland from that bay, first the Alabama river, which runs comparatively a short distance — only one or two hundred miles — and then branches into two great arms, one the Coosa river and the other the Tombigbee; both of those rivers run within a few miles of the waters of the Tennessee river, and are

separated from the waters of the Tennessee by parts of the Alleghany mountains. The branch running west, and most directly from the Mobile bay to the waters of the Tennessee, is the Tombigbee; and perhaps gentlemen who have not investigated will be astonished to find that the waters of the Tombigbee and the waters of the Tennessee come within eight or nine miles of each other, in a comparatively level country, that presents no obstruction of any considerable moment—no tunneling, or anything of that sort—while the waters of the Coosa connect with the waters of the Alabama, just above Montgomery, the capital of our State. At Montgomery we strike a bed of rock, which is said by competent engineers to be a continuation, or the same ledge of rocks that crop out at the Muscle Shoals, excepting that it has a wider area on the Coosa, impeding steam navigation on that river for perhaps a distance of a hundred and fifty miles. After passing that ledge of rocks, and getting rid of its cropping out, we again strike deep water for about a hundred and fifty miles more, to Rome, Georgia, upon which pretty large vessels are plying daily now, but are shut in by these shoals. Now, sir, the feasibility of getting rid of that ledge of rocks, to start with, has been demonstrated by surveys made by the engineering department of the United States, not very long ago. Major McFarland was the engineer, I think, who stated that that work could be done for two and a-half million dollars, so as to make navigation from Mobile bay to beyond Rome, Georgia. The same engineer has recently made his surveys and reported to Congress favorably to the opening of a canal from the waters of the Tennessee, at Claysville, across to the waters of the Coosa, a distance of only about fifty-one miles. All that distance the route lies along a creek which is tributary to the Tennessee. They get, by slack-water navigation, about twelve miles, leaving some thirty odd miles for canalizing, which this competent engineer has reported as being perfectly feasible, having no obstacle in the way whatever—thus connecting the waters of the Tennessee with the Coosa, up in that deep-water section above the falls. Now, then, by opening that bed of rocks along the Coosa to Montgomery, you have at once an outlet to the sea. Upon examination of the matter, and proper investigation, it is also found that there is a route west of that, by the waters of the Tennessee and its tributaries, pointing south, and the head waters of the Tombigbee, pointing north—coming within eight or nine miles of each other. I have no

actual survey of that route, but I have a very interesting letter, written by a competent engineer, Major Harding, speaking of that route.

My friend here from St. Louis has, I see, committed himself against our project, and I apprehend it is on account of a pet project that they have themselves. Our people have been so accustomed to hang on to St. Louis, trying to build up a sort of unity of interest between ourselves and them, that I was surprised to find that to be so, until I found out that he was very strong on the Mississippi question. I am going to be a little different with him. His route is a national route, and one that ought to be encouraged, and I want to go with him in that, but I don't want to get him against me. Now, sir, the power of the Mississippi river, we all know, is important. It was demonstrated, I think, in the unfortunate days of this country that it had more power than the patriotism of the country. I think the commercial interests, the material interests of this country had about as much power in keeping up the entirety of the United States as anything else. The people of the Northwest could never consent to have the lower part of that river cut off from the upper part; they could not afford it; their patriotism could not tolerate it. Now, my proposition is to duplicate that, and in doing so you make an additional bond of union in this country. I wish to duplicate the Mississippi river. Without this improvement how are those people east of the Mississippi and south of the Ohio to be relieved and benefited, occupying, as you will see by the map, a section of country that is much over one-fourth part of this whole Union in point of territory. Now, sir, that country, rich in stores of mineral of every sort, with supplies of coal, and supplies of iron ore, it seems to me, ought above everything else to be opened, that this great tide of east and west commerce may draw from it, and help us at the same time, if the proposition is true, and I am willing to grant it, that the great commercial drift of the country is from west to east and east to west reciprocally. Why, sir, if you run this up-and-down line, and get it into that country, and connect with the Gulf, won't it flow all the same to and from New York in increased proportion? Will you shut us out? I would ask gentlemen here who hail from the West, the grain-growing section of the country, what part of this country do they sell most of their surplus grain to? We have industry enough South, but we have to rely upon your grain. We have been trying

to educate our people to raise their own grain and their own pork, but even at the price of a dollar and a quarter a bushel for corn we have not succeeded in convincing them they can make more money by raising more corn and less cotton, and I have despaired of the day when that great cotton-growing country, and the sugar-growing country, will cut loose from the Northwest as the place of supply. Now, sir, here is this immense territory, involving Carolina, part of Tennessee, and Virginia, Georgia, Alabama, and parts of Mississippi, that must be supplied with its grain and the things which you produce in the Northwest, in Cincinnati, in Pittsburgh, and in Chicago; and you want in return from us such things as we may be enabled to supply you with. Where do you get your naval stores? Immense quantities are produced in that country. And where to St. Louis and all the Northwest is the most direct route to the West Indies? She has been receiving her coffee in unbroken cargoes through our ports already.

I know very well the argument that for grain-shipping the Gulf is not favorable, by reason of temperature and climate, and the difficulties that originate down on the reefs of Florida; but even with these disadvantages I think it can be demonstrated beyond a doubt that we can take that into account and still beat any overland route by rail that you can start. The route by the lakes and by the canal north to New York is invaluable, but, sir, I want to ask this Board, how many months in the year is that route open? My recollection is that five months, at any rate, in the year it is not navigable, and then you are compelled to look to the railroads, and the evidence before the Senate Committee is, that invariably when the canal is locked up freights are higher.

Mr. PRICE read from a letter by Major Harding estimates made by him as to the cost of opening a water communication from the Tennessee river, above the Muscle Shoals, through Bear creek, and so on to the Tombigbee river and thence to the Gulf at Mobile. The estimate gives the distance from St. Louis to Mobile as 1,040 miles, 910 miles of which is river navigation, already in a good state of improvement, where improvements are necessary; his estimate for additional

improvements on the whole line being about \$4,000,000. Comparative estimates were made as to the cost of the following routes from St. Louis to the ocean, namely: St. Louis to the mouth of the Mississippi river, 1,450 miles, cost \$16,000,000; St. Louis to Savannah, 1,574 miles, cost \$35,000,000; St. Louis to Mobile by the route suggested, 1,040 miles, cost \$4,000,000. And then resumed:

Time would not permit me to fully illustrate the importance of this work, and I think it would probably be useless, in view of the intelligence of this body and their means of knowledge in reference to this country. By opening up the Tennessee river we pass right into the iron and mineral country of Georgia and Alabama, at the same time giving an outlet both ways; and if New York is so much better a market than the West India Islands and other ports through the Gulf, it would get the business from that section of the country in return for the goods we have to buy, and always do buy, from New York. I mention these matters to show you it is a matter of general national importance both to the East and the West. When the ice and frost shut up the water communications of the North, and even shuts up their railroads, then the farmer and producer of the North will not be helpless; they will still have a route by which they can reach the waters of the high seas. It is a route which is not the subject of monopoly or of combination, because you can never make a combination so strong that somebody will not be independent enough to run his boat,—or as I may say, to paddle his own canoe,—if he has a free water way to do it on; and that is a reason that these water routes are so successful as competing lines. They are public highways, and as long as there is enterprise and capital in the country, it will be found, where there are combinations against the people, that the people will put crafts on those rivers that will carry their freight.

The cheapness of a water line, as a competing line, is admitted, and whether the railroads pay or not, the great interests of the country must be served. We must let the railroad interests, as to whether they make or lose money, take care of themselves; we cannot afford to look after that particular interest, and I hope this Board will never be so localized as to

allow their local interests to make them overlook the great projects that may be brought before it. I would not for a moment urge any plan, for my part of the country, that has not as a prominent feature the promotion of the interests of the whole country. Open this section of the country, with its mountain fastnesses, its beautiful valleys, its productive soil, its mineral resources, its deposits, of every sort that other portions of the country need, that have got to be dug out of the earth,—to say nothing of that development which will take place by reason of making the country accessible,—and every nook and corner of this land, wherever you may go, will be the recipient of advantages and benefits, and at the same time you will increase thereby the quantity which we receive of the surplus products of the Northwest, and we will need in increased proportion the manufactured articles of the Northeast.

But, Mr. PRESIDENT, I will not detain the Board longer, excepting to say that this resolution, as it now stands, asks clearly that this work be undertaken on national account, and under the direction of the National Government, and goes upon the theory that it is to be a work of the Government, and belonging to the Government. I never have believed much in that. Before you put the resolution, I want to offer a substitute for it:

*Resolved*, by the National Board of Trade, That there should be opened, as speedily as possible, uninterrupted water communication between the water of the Tennessee river and the deep water of the bay of Mobile, through either the routes of the Tombigbee or the Coosa rivers,—whichever may be found to be the most practicable and advisable on actual survey; and that such work, in the opinion of the National Board of Trade, is one of great national importance, and entitled to such favorable consideration and assistance on the part of the Government of the United States as may be appropriate.

Now, Mr. PRESIDENT, you see that that resolution is in general terms. Our people are alive to this project, and we want also to have the project—it having a national character—to have the fostering care and assistance of the Government, in such manner as it may be proper for it to give it. The rivers themselves, we thought the Government ought to clear out, because it holds jurisdiction over them. But there comes the question as to how far the Government should take hold of it, as its own work, and own it. We propose to organize and do the thing ourselves, with such assistance as we may get. I hope we may

be able to convince you that it is for your interest to help us. I expect, if I live a very few years longer, to see Cincinnati; and Pittsburgh, and Chicago, and St. Louis, all coming forward and contributing their mite to help us along; and then we expect the National Government, in view of the importance of transportation for their own purposes, to assist us. They have a navy yard at Pensacola, and the timber and naval stores we produce are needed for the Government; and we expect to give the Government *quid pro quo* for all they give us; and we expect to ask them to assist us, and we think they will do it; but we don't want to see Uncle Sam do it as his own project, for we don't believe in that way of doing business. We want your moral and material aid before we get through. We want to be one people, and one in every way; and that is the way to make us one.

Mr. JEFFRIES, of Philadelphia: The next subject for consideration is Number 10 — the resumption of specie payments. I will just add that my friend, an old and esteemed merchant, a member of the Philadelphia Board of Trade, was unexpectedly called to Washington last night, and I am told that he has prepared a resolution upon this subject which may lead to a wide range of debate. I move that the subject, if reached this afternoon, be postponed until half-past ten o'clock to-morrow, as the especial order of the day.

The PRESIDENT: The motion should be to suspend the proceedings upon the present proposition, which would require the concurrence of two-thirds, to introduce the resolution offered by Mr. JEFFRIES.

A motion to suspend rules, and postpone as suggested, was unanimously agreed to.

The PRESIDENT: The proposition now will be upon the amendment offered by Mr. PRICE to the original resolutions, which is, to strike out all after the word "Resolved," and insert what he has read.

Mr. HAYES, of Detroit: All this transportation discussion, as you will recollect, started some years ago at the convention that was held in Detroit, and the popular error then developed has followed through all these years. The President will recollect that that meeting was called for the especial purpose of provid-

ing, by the National Legislature, an improvement on the soil of the State of New York, known as the Niagara Ship Canal, and also for the carrying out of the Reciprocity Treaty between the United States and Canada. Those two measures were popular measures — measures that were assented to by nine-tenths of the population of this country. I was ruled out of that convention because I could not state my views inside of ten minutes, but I published a pamphlet of five thousand copies upon those two identical popular errors, and not one of them has moved a peg since, except so far as to reach the second reading in Congress of a bill authorizing a company to build a Niagara Ship Canal. I found that enthusiasm on that subject had been carried so far, that even New York merchants favored it, notwithstanding it was proposed to change the entire course of trade into the hands of foreigners during seven months of the year. My idea has been carried out, and the public mind has been entirely changed on that subject, so that to-day the public stands firm against it; and to show the detrimental influence that it would have upon the interests of this country, my friend, Mr. PATTERSON, will tell you that the Canadian Government are constructing a canal of large proportions, to make its other canals available, to take our trade away from us down the St. Lawrence; it is of that importance. Finally Congress had to recognize the fact that they could go into the State of New York and build a canal for military purposes, but they had no right to go into that State to construct a canal for commercial purposes and ruin the canals the State of New York had already built.

Now, Mr. PRESIDENT, I am utterly opposed to any public improvement at all that shall lay waste the money that has already been expended for purposes of transportation. You will recollect, as my friend states, that a commission was appointed by Congress to investigate this matter, and, as he says, I was the first witness called. What was done in the city of New York to influence that committee? A public meeting was called by the merchants of New York on the night before that committee was to sit; it was claimed that the people, who signed that call controlled a capital of \$500,000,000. It was stated at that meeting that watered stock to the extent of five thousand millions of dollars in railways was on the market, and was held by the people, and that rates were put up to pay the interest on that five thousand millions of dollars. The real facts are, there never has been

five thousand millions of dollars of bonds, stocks, or anything else used in the United States for railroad purposes, at all. This cry of cheap transportation has been one extending over a series of years, and we ask you to consider the rights of people who have their money already invested in transportation facilities, and the rights of States who, through their enterprise, have constructed canals and roads for the purpose of doing this transportation business.

Mr. POTTER, of Davenport: With the consent of the gentleman I will make one suggestion. He is discussing the subject generally, on the specific question of the Tennessee improvement. Now, a committee has been appointed this afternoon to report on the transportation question. Shall we not have this general discussion all over again? I will suggest, if the discussion is to take a general range, that it be postponed until the Committee on Transportation has reported.

The PRESIDENT: Mr. HAYES is in order.

Mr. HAYES: If the resolution is to be referred to that committee I will refrain from the discussion now.

Mr. HEALD: If it is in order I will move to refer the whole subject to the committee.

The PRESIDENT: Unless the gentleman yields the floor it is not in order.

Mr. HAYES: It is only with a view to correct a popular error in regard to the amount of transportation that is required, the amount of property we have to transport, and the provisions we have made for transporting it, that I wish to speak. If the Board wish me to proceed I shall with pleasure.

The PRESIDENT: You have a right to go on in your own way.

Mr. HAYES: This matter came from the west—which is the cheap transportation district—we may locate it west of Buffalo, and east of the Rocky Mountains. There were then twenty-eight thousand miles of railway in the hands of over two hundred corporations, all seeking for business. There are at the present time hundreds of vessels on the lakes lying perfectly idle. There is now, to-day, being taken from Chicago

to New York, grain for less than ten cents per bushel; that means only two thirds of one cent per bushel for every hundred miles of transportation. Now, what we want is to avoid the reckless and ruinous expenditure of money by the National Government, or the State Government, that shall make worthless the four thousand millions of dollars that is already in the railroads, and the thousands of tons of shipping that are now lying idle at their docks. We want to avoid impressing upon Congress any such idea. Does not the very fact that we argued at Detroit, in 1865, of the enormous amount that was to come forward, and the present state of things, disprove what was then urged? If we go on spending money as we have done, and as is urged we shall do, we shall become bankrupt in consequence of the amount of money that is expended for public transportation, when we have not the property to transport, to employ what we have already under way. With these remarks I will leave the matter until the general subject comes up. I disapprove of this resolution recognizing the right of Congress to deal with the matter as a national matter, when the nation at large covers the entire country, and three fifths or three quarters of the country have no interest at all in that improvement.

Mr. BAYARD, of Baltimore: It appears to me that the sense of this body, upon the general subject of recommendations to Congress, with regard to internal improvements, has already been recorded in an emphatic manner, by the resolution to indefinitely postpone the subject of the construction of Mississippi river levees. Without entering upon a general discussion, as the hydra-headed subject of internal improvement has come up again, I might call the attention of this body to a certain other great national project, which is supposed to benefit equally all sections of the country; and if it be the scope and intent of the National Board of Trade to recommend to Congress enterprises of that kind, I would desire to place upon record some similar recommendation for this great purpose of national import. I would therefore move, as an amendment to the resolution, that Congress be memorialized to appropriate sums of money, or to lend its influence and credit to the construction of a ship canal across the States of Delaware and Maryland, for the connection of the waters of the Chesapeake and Delaware bay. The gentlemen will recognize that this is a subject of national importance, that

will commend itself to the interests of Mobile, and Boston, and Detroit, and all of us. It appears to me, however, that there stands in the way of the promotion of this particular project of the Alabama water route, a practical or mechanical difficulty. The gentleman from Ohio, if I mistake not, has drawn a grand picture of the Government of the United States, with one hand on the mouth of the Mississippi river, leaving the other hand unemployed. But here, gentlemen, we are asked to place a hand on the mouth of the Tennessee, and another on the Tombigbee. Now, I submit that the Government is not Briarean, and it has not the capacity to handle all of these rivers at the same time.

I feel constrained to ask permission to withdraw the motion with regard to the Delaware ship canal, which I must apologize for offering in a humorous view of the question, and substitute for the amendment of the gentleman the proposition that the subject of the Alabama water route be indefinitely postponed.

The motion to indefinitely postpone the subject was adopted.

Mr. BAYARD: Pending the discussion of the next subject on the programme, I rise to a question of privilege. It has been suggested that in the appointment of a committee on bills of lading, the interest of ship-owners is not adequately represented. It is the desire of the mover of the proposition to appoint that committee, as well as the members of that committee already appointed, that the equities of the matter shall be duly observed. I therefore move that the committee be increased to five, by the appointment, by the Chair, of a gentleman being a ship-owner, or representing that interest.

The motion was agreed to, and Mr. HINCKEN, of New York, was added to the committee by the President.

Mr. HINCKEN: I would suggest to the President that Mr. MEISSNER already represents New York on the committee. I think it is well represented by him. New York prefers that some other city should be represented.

Mr. MEISSNER: I think it will be very desirable to have the assistance of Mr. HINCKEN, being a ship-owner, and knowing more about the subject than any of us on the committee. I hope he will not decline, but will serve on the committee.

The PRESIDENT: I certainly shall not excuse him, unless ordered by the Board.

Mr. HINCKEN: I hope you will. I am only interested in sailing vessels, and my advice would be of no use to the committee. We are content with the law as it stands in relation to sailing vessels, and I believe the shippers are content with the law as it applies to sailing vessels. I hope you will excuse me.

The PRESIDENT: The gentleman from New York must be obedient to the orders of the Board.

The next proposition is from the Board of Trade of Chicago, relative to an amendment of the National Banking law.

The Secretary read the resolution, as follows:

*Resolved*, That Congress be memorialized to so amend the National Banking law, that in case of the failure of any National Bank to promptly redeem, on presentation, any of its obligations payable on demand, whether of circulating notes, or any other class of its indebtedness, that it shall be the imperative duty of the Comptroller of the Currency to immediately cause such bank to be placed in the hands of a receiver, who shall at once take charge of it, and proceed to realize upon its assets, as is provided in cases of the appointment of a receiver under the existing laws; *provided, however*, that if within thirty (30) days after the appointment of such receiver it shall be shown to the satisfaction of the Comptroller of the Currency that such bank is then in a condition, in all respects, to meet its obligations as they are likely to be presented in the ordinary course of business, and to resume business under the law, the receiver may, in the discretion of the Comptroller of the Currency, be relieved, and the bank be permitted to resume its regular standing and business as a National Bank.

Mr. How, of Chicago: This proposition comes from the Chicago Board of Trade, and does not, in my judgment, require much argument in this body to show the necessity of the change which is there proposed. As the law now stands, the Comptroller of the Currency has no authority to appoint a receiver in case of the suspension of a National Bank until one of its notes is protested. This proposition is, as soon as a bank fails to meet any of its obligations, that it shall be obligatory upon the Comptroller of the Currency to appoint a receiver, who shall immediately take possession of all the assets of the institution, and see that it is equitably divided among the creditors of the bank. During the panic of 1873 there were several National Banks in our city that went into voluntary liquidation. Under the law, they

might do that by notifying the Comptroller of the Currency that they so proposed, and the Comptroller would advertise in the papers where the bank was located that they were in voluntary liquidation. They held possession of all the assets of the institution, and the creditors applied from time to time to ascertain what the prospects were for a dividend, and were told that they were already converting the assets and would soon be able to close the entire institution. During the past year, application was made to our courts for a receiver in at least one case, and one was appointed, and the receiver took possession of what was left. On examination of the affairs of the bank it was found that all the good assets had been divided among friends, and they had been paid, while many of the depositors were left without a cent, and, in one instance, the receiver has reported within a few days that there were only eighteen or twenty thousand dollars of assets left, and they would not bring enough in the market to pay the costs of sale. In another case, a bank suspended, and it was some three weeks before they could find one of its notes to protest, in order that the Comptroller of the Currency might appoint a receiver. It is easy to see that within that time all the available assets of the institution could be made way with, as they were. Now, we ask that this proposition shall be passed by the National Board, and I think you will see the justice of the request, and probably will not oppose it at all.

Mr. ALLEN, of Kansas City: I must confess that I cannot understand why Congress should be asked to incorporate into the National Banking law a provision that National Banks, so far as their relations to the community are concerned, doing precisely the same things, standing with precisely the same liabilities, seeking the same class of business, shall be subjected to a rule of operation which all competing institutions in the same line of business are exempted from. To make my point clear, the present law, as has been stated by the gentleman from Chicago, authorizes the Comptroller of the Currency, whenever a circulating bill issued by a National Bank be presented for redemption, in greenbacks or gold, as the case may be, and they fail to redeem it, the knowledge of that fact, brought to the notice of the Comptroller, authorizes him to appoint a receiver, into whose hands the closing up of the institution shall pass. That is not the only circumstance or instance in which he may

appoint a receiver, but the others do not concern us in the consideration of this question. Now, sir, the National Banks have two entirely distinct and separate powers or functions, in respect to which two entirely separate and distinct classes of rules apply. First, they are banks of circulation, and in that respect stand entirely separate and apart from all other banks of the country. They are also banks of deposit and discount, and in that respect stand on precisely the same footing with all the banks of the country, whether incorporated under State law, or whether they are private and unincorporated banking houses.

Now, if you will notice the matter a step farther. These circulating notes pass from hand to hand, and they are intended to pass through the community and be received without any knowledge whatever of the solvency or insolvency of the bank that issues them; without any necessity upon the party to whom they are presented, or by whom they are received, to know the facts in the history or condition of the particular bank that issues them; and in order to enable these notes to circulate in that manner with perfect security throughout the whole length and breadth of the land, the law provides that before they shall have the power to exercise that function there shall be deposited with the United States Treasury bonds of the United States to secure those notes, and that those notes should, under that deposit, be practically guaranteed or indorsed by the United States.

Now, sir, the party who receives a circulating note of a National Bank is in no parallel whatever with the party who steps up to the counter and deposits money or transacts the ordinary business which is done over its counter. This note may be presented in New York and may be from a bank in Mobile or New Orleans or St. Louis. At a New York counter they cannot know anything about the solvency of it. They do not desire to, and in order to be able to take it with freedom it is necessary that they are not obliged to know anything about its solvency. But whenever a man steps up to a bank to make a deposit or to transact any other kind of commercial business, he does it under circumstances, and in a channel, which puts him on his guard to understand its condition — its solvency or insolvency, the character of its management, the responsibility of the men who are the stockholders or managers — precisely as he has to be upon his guard to know the character of any other mercantile

institution with which he transacts business. Therefore, sir, I take it that the distinction already existing in the National Banking law is a distinction founded in wisdom. It is done for the purpose of protecting us in receiving National Bank notes, so that we can receive them without the necessity of inquiry. But I cannot see why it should be that in the other kind of business, in which they stand on precisely the same footing as banks incorporated under State law, or private banking corporations, they should be loaded with this peculiar law, that if a man should step up and offer his check against a deposit, and they should not be able to pay it, that it should subject them at once to the closing of their doors, and the passage of their business into the hands of a receiver under the control of the Comptroller of the Currency. I cannot see why they should be placed at that disadvantage as compared with other banks or other commercial houses. Why should a National Bank in New York city be subject to an obligation of this kind, and its neighbor, which does not happen to be a National Bank, competing with it in every particular, except the single one of issuing a circulating note, be free from any such obligation, and stand, as I take it every institution ought, upon the merit of the managers or men who conduct it.

Those are my views of this question, Mr. PRESIDENT, and I shall vote against this resolution on that ground. I am very chary of seeing the Government assume to do what it is not in its province to do, either in the shape of monopolies or extraordinary and peculiar penalties which are as peculiar and exceptionable as monopolies in other instances may be.

The question on the adoption of the resolution was then put by the Chair, and lost.

The Secretary then read the next proposition on the programme, as follows:

Amend Article VI, of the Constitution of the National Board of Trade, by inserting at the end of Section 3 the following words, viz.:

"Provided that, if a majority of the delegates accredited to, and in attendance at any meeting shall be in number less than forty, such majority shall constitute a quorum."

Mr. WETHERELL, of Philadelphia: It would seem to the Philadelphia Board of Trade a fair proposition that when the

number of delegates is less than forty the quorum should be reduced. As we are all aware, at the close of the session, the last day of the session, we are oftentimes left with less than forty. The Philadelphia Board of Trade thought that it would be proper for us to present for the consideration of the National Board of Trade this amendment to the Constitution, and I move its adoption.

The PRESIDENT: This matter was also recommended by the Executive Council, and it was confided to me to prepare the amendment in conformity with their request, and to have it presented to this body by one of the constituent bodies.

The motion to adopt the amendment was then voted on, and it was unanimously agreed to.

The PRESIDENT: The next is in further amendment to the Constitution.

The proposed amendment was read, as follows :

Amend Article IX, of the Constitution of the National Board of Trade, by adding, as Section 8, the following :

" In case any constituent body shall fail to be represented by delegates at two successive annual meetings of the Board, and also fail to pay its annual assessment for two years, it shall cease to be considered in membership."

Mr. WETHERELL, of Philadelphia: I would also make a like statement in reference to this amendment as proposed by the Philadelphia Board of Trade. It, too, has been acted upon by the Executive Council, and they have approved it. I move it be adopted.

The motion to adopt the proposed amendment was unanimously concurred in.

The PRESIDENT: The hour of adjournment has now arrived. Delegates will bear in mind that we agreed to assemble here at a quarter before nine, for the purpose of visiting the Masonic Temple. The Board is adjourned till to-morrow morning at ten o'clock.

## THIRD DAY.

THURSDAY, JUNE 17, 1875.

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The Board convened at ten o'clock, President FRALEY in the Chair. Prayer was offered by Rev. JAMES NEILL, D. D.

Mr. HOLTON, of Milwaukee: I rise to a privileged question. It was my privilege thirty-two years ago this very day, when a very young man, then residing in the territory of Wisconsin, to find myself in Boston. On that day, from every hillside and every valley throughout New England, came crowding to Boston thousands upon thousands of the people of New England. For what? It was the dedication of the monument of Bunker Hill, lifting its straight arm high into the heavens on the top of that hill, so memorable in the annals of American history. The President of the United States, and all his cabinet officers, were there; the governors of the various States were there; the judiciary from every part of the land, and the legislatures of various States, were there; the Masonic fraternities all over the country were there, and various other bodies, constituting an immense concourse of people. It was estimated that one hundred thousand people were in attendance upon those ceremonies. Upon that platform—a sight that I shall never forget—sat twelve aged men, the only men that then survived who were upon that memorable battle-field. The oration was delivered by Mr. Webster; it has passed into the literature of the country. Mr. Webster is as fresh before my eye now as upon that occasion,—that majestic form, and his firm, rallying words, I hear as it were to-day. Now, my heart and yours all go back to Bunker Hill to-day. The Lord has lifted his sun gloriously upon this land this morning; other hundreds of thousands are there to-day. The national heart is stirred again upon this great natal day of that event. I therefore offer you the following sentiment, and propose that it be telegraphed, if acceptable to this body, by the Secretary, to the Mayor of Boston:

The National Board of Trade, in session at Philadelphia, pauses in its consideration of questions relating to the commercial and industrial interests of our common country, and begs to offer to Boston, to Massachusetts, and to the nation at large, its expression of patriotic fervor, its love and devotion to the national life, and its earnest hope that those liberties which the blood of Bunker Hill helped to establish may never be abridged. (Applause.)

Mr. COWDIN, of New York: Mr. PRESIDENT, most gladly do I rise to second the resolution offered by my friend from Wisconsin. I, too, was present on that grand occasion. I, too, had the satisfaction of witnessing the completion of that grand monument in honor of the liberties of our country. After what has been so happily said by my friend, I will not occupy the time of this Board by taking up more of it than is proper. I am sure that every gentleman here will reiterate the sentiments of that grand orator, "Liberty and Union, now and forever, one and inseparable." (Applause.)

The PRESIDENT: Are you ready for the question upon this sentiment? I think it is due to the occasion, and to the sentiment itself, that this vote should be pronounced with more than usual formality; and I therefore ask all those who are in favor of it to rise.

The Board unanimously arose, and the President declared the resolution adopted. It was immediately telegraphed to the Mayor of Boston.

Mr. COVINGTON, of Cincinnati: I would ask leave to offer the following:

*Resolved*, That the thanks of the National Board of Trade be, and they are hereby, tendered to the officers of the Grand Lodge of Free and Accepted Masons, for the State of Pennsylvania, for the pleasure and gratification they have afforded us, of viewing and admiring their magnificent temple.

The resolution was unanimously agreed to.

The PRESIDENT: The next business in order will be the reading of the journal of yesterday.

On motion, the reading of the journal was dispensed with.

The PRESIDENT: *Gentlemen*, I was requested by one or two delegates, yesterday, to obtain access to the mint of the United States, for them, and to have a little more than usual attention paid to gentlemen who might feel inclined to go there during the intervals of the Board; and I accordingly addressed a letter to the Superintendent of the mint, upon that subject, and I have his reply.

The communication was read, as follows:

PHILADELPHIA, June 17, 1875.

To the HON. FREDERICK FRALEY, *President of the National Board of Trade*:

MY DEAR SIR,—I beg to extend a cordial invitation to the gentlemen comprising the National Board of Trade to visit the Mint at any hour between nine A. M. and twelve M. that may suit their convenience. Upon their arrival, I will take pleasure in extending to them every facility for examining the workings of this institution.

Very truly yours,

JAMES POLLOCK, *Sup't.*

The PRESIDENT: The members who feel inclined to go there during their leisure hours, and between the hours named, I have no doubt, will be received with great cordiality, and shown many things of interest.

The next thing in order is the report of the committees. Are there any ready to report?

Mr. HENRY, of New York: The Committee on Postal Rates beg to submit the following as their report, and recommend its adoption:

WHEREAS, During the closing hours of the last Congress a law was enacted increasing the rates of postage on certain classes of postal matter, among which was printed matter and articles of merchandise, within certain limits of weight; and,

WHEREAS, There seems to have been no good reason for such change, and it has caused great inconvenience and loss to merchants, publishers, and the public generally; therefore,

*Resolved*, That, in the opinion of the National Board of Trade, the law in respect to postage rates should be restored to its former status, and that Congress be memorialized to that effect.

[Signed by the Committee.]

Mr. HENRY moved the adoption of the preamble and resolution.

The PRESIDENT: The preamble and resolution just read from the committee are now before the Board.

Mr. HAYES, of Detroit: *Mr. President*, I will say for the information of the Board, in regard to the subject-matter of this resolution, that I happened to be at the Postmaster-General's office when the bill was brought to his attention. He was very much surprised at it, and such was the feeling throughout the entire government offices. I believe a bill for the purpose of doing precisely what this calls for is, or will be, prepared by the officers of the Government, and the sanction of this Board would be an additional incentive to the carrying out of what is already in progress.

The resolution was voted upon, and unanimously adopted.

The PRESIDENT: Yesterday the proposition on the programme, in relation to the Currency, was made the special order for half-past ten o'clock. That hour has arrived, and, under the vote of the Board, that subject is now in order.

Mr. COLE, of Baltimore: I have a resolution which I ask the privilege of submitting. I intended to have introduced it at the time the Shipping Act was under consideration, but it was deferred. It has reference to the subject which was mentioned in the communication of Mr. Young, the Shipping Commissioner of Philadelphia,—the incompetency and inefficiency of masters of vessels in the merchant service. I think you will agree with me, that it is a very important matter to all merchants and to all underwriters. I beg leave to offer this as an addition to the resolutions adopted by the Board on yesterday. It is as follows:

*Resolved*, That the Executive Council be requested to earnestly enjoin upon Congress the amendment of the Shipping Act, in some manner which shall look to the improving and increasing the efficiency and responsibility of masters and mates in the merchant service, and which shall embrace examinations by experts under the proper authority, and the granting of certificates of competency, similar to the system in use in Great Britain.

The PRESIDENT: The gentleman from Baltimore asks leave to offer what he has read. It contemplates a suspension of the rules, and that will require the assent of two-thirds of the body; and then, under the by-laws of the Board, it would have to be

referred to the Executive Council, unless otherwise directed by two-thirds of the members present.

A motion to suspend the rules, in order to allow the introduction of the resolution, was unanimously agreed to; and then a motion to suspend the by-laws, so that the resolution could be acted on at once, was concurred in, and the resolution was unanimously adopted.

The PRESIDENT: The resolution is adopted and placed in charge of the Executive Council to carry into effect.

Mr. How, of Chicago: I do not feel exactly satisfied with the action of the Board upon the proposition which was submitted from Chicago, yesterday, in regard to an amendment of the National Banking law. It is a matter which we feel to be a very important one. The Government has undertaken the supervision of National Banks, and has secured the holder of the circulating note beyond a contingency. We ask that the depositor shall have, if not equal, at least some security. Now, I wish some of my friends, who voted against that proposition, would move to reconsider the vote by which the resolution was lost; and if that is done, I will move to refer it to the Executive Council, that they may take the matter into consideration, and if upon examination they find that there is merit in it, and they can indorse it, that they should ask for this amendment of the General Banking law. If they do not concur in the suggestion, then let it fall in the Council, and not come up again before the Board, but be disposed of by the Council.

Mr. STRANAHAN: I will move the reconsideration for that purpose.

Mr. ALLEN, of Philadelphia: I second the motion for reconsideration, but, at the same time, I would like the subject-matter to come up before the Board again, if it is reconsidered, as there are some members of this Board who would like to express their views upon it. I do not see that there is any use in referring it to the Executive Council. Let us discuss it in the Board if it shall be reconsidered. If our action yesterday was wrong, give the whole Board an opportunity of discussing it, and not send it to the Executive Council. I hope Mr. How will make his motion so that we can discuss it here.

Mr. MERWIN, of New York: I would prefer that the motion of the gentleman from Chicago shall be that it be referred to the Executive Council, to report at the next meeting of this Board.

Mr. ALLEN: Very well.

The PRESIDENT: The present motion is simply a motion to reconsider.

The motion to reconsider was unanimously agreed to.

The PRESIDENT: The resolution is now before the Board.

Mr. HOW: Now I move that the resolution be referred to the Executive Council, with instructions to report upon it at the next meeting of the Board.

This motion was adopted, and the resolution so referred.

The PRESIDENT: The proposition from the Philadelphia Board of Trade in regard to the Currency will now be read.

The Secretary read proposition No. 10, as follows:

Consideration of the currency question, and the early resumption of specie payments.

Mr. WINSOR, of Philadelphia: This subject was placed on the programme at the instance of the Philadelphia Board of Trade, and that Board ought to have prepared some resolutions for presentation to this body; but they did not do so, and I will offer some on my own account.

The resolutions submitted by Mr. WINSOR were read, as follows:

*Resolved*, That the present time, when commercial indebtedness is small, prices of commodities low, and the currency so excessive that large amounts of it are lying idle, presents a favorable opportunity for the institution of measures to restore specie payments.

*Resolved*, That such payments cannot be restored and maintained so long as a paper currency exists, which can be used in legal payment instead of specie.

*Resolved*, That this National Board of Trade therefore prays Congress to withdraw from circulation and cancel the United States legal tender notes, by instituting measures for that purpose at its next session.

The PRESIDENT: The resolution is before the Board.

Mr. WINSOR: That first part of the resolution declares that this is a proper time to institute measures for the restoration of specie payments. Now, that may seem to be a very small matter, but in my opinion it is a very important matter, for if we never get ready to institute measures for the restoration of specie payments, we are not likely ever to have them. You all know, gentlemen, that this subject has been discussed in every way; it has been often discussed in this Board, and always it has been, "Not now, but some other time. The financial interests are not just ready to resume specie payments just now." It seems to me that the people of this country may be properly divided into three classes in reference to this question. The first class is composed of men who are the earnest and persistent advocates of specie payment, and are ready to meet the requirements of it—they are ready to pay the price of it, they are ready to submit to a little inconvenience and sacrifice for the sake of future and permanent good. This class, unfortunately, is a very small class, but I need not say that I have very great respect for it. There is another class standing on opposite ground to this one. They believe the present currency is a good one; some believe it is as good a currency as any people ever had, and all they want is more of it. I have some respect for this class, because they act consistently with their belief. If they believe this to be a good currency they ought to want more of it, perhaps; and I have some respect for them for another reason, and that is, if they could have their way we should have some certainty; and I should rather have certainty in that way than not to have it at all. But, unfortunately, there is another class of men, very much larger than both of these two combined. These men think the currency is not a good one, but still ought to be retained; that we ought to have some power by which, by some hook or crook arrangement, we can get a good thing without any sacrifice. These men are never ready to take steps to introduce specie payments, and I must say that that class is the fatal class of this country. It is the class that makes specie payment obnoxious. I have asserted in these resolutions that this is the proper time to introduce measures for the resumption of specie payments, because the state of business is such in this country that the present is a good time for the attempt to introduce measures to

restore specie payments. I think nobody need doubt that. There is no speculation ; commercial indebtedness is small, and currency abundant ; and if we can ever retire any part of that currency, we can do it now. I want to say that if this Board should decide that the present is not a proper time to commence these measures, I, for one, should have no interest in any further discussion of this subject, because, in my opinion, any other expression would lead to nothing.

Now, this second resolution declares that it is impossible to restore specie payments, with a government paper in circulation, which can be used in legal payments, instead of specie. Now, you all know that whenever there are two currencies in circulation, men will always use the cheapest one, and if you have two legal tenders, the cheapest one will always be in use in preference to the other. It is said that the Government will pay specie for \$400,000,000 of notes. Well, where will such payments be made? If it pays at the Treasury, in Washington, only, then these notes will be at a discount at all places distant from Washington, because you can get specie only by sending those notes there. Therefore, a man in New Orleans wanting specie, and having legal tenders, will sell his legal tenders to some broker who will send them to the Treasury for redemption. Nor will it do to make these legal tenders redeemable at the sub-treasuries, for, in that case, as nobody will know how much will be presented at any one of these sub-treasuries, each of them must keep on hand a large amount of specie, and the aggregate of specie so kept, in order to meet all calls for payment, will be as great as the legal tenders themselves. In that case, there would be no gain in having this legal tender. If you have to keep in the country four hundred millions of specie to meet these legal tenders, what benefit will there be in having the legal tenders at all? Why not use the specie instead?

It is said even in England they have a paper legal tender, but I apprehend that is not the fact. That error arises from the fact that at the time of the suspension of specie payments in England, which lasted twenty years or over—it is usually called the restriction, because Government, by law, forbade the bank to pay specie. All country banks—all banks in Scotland and Ireland were obliged to redeem their bills in Bank of England notes, but only for that time. That was over in twenty-one years. But suppose that were even so now,—that they have two legal tenders

in England,—that does not prove that we could have two with safety here. England proper is a very small country, not larger than the State of New York. Now, within such a space you can institute measures with safety that would be more imprudent in this great country; so that I hold that the example of England in regard to currency is not by any means a safe one for this country. Obviously where the distances are very great, if you have a central place where your legal tender is payable, it is not available at points greatly distant. So I hold that until we remove this legal tender paper we cannot have specie payments in this country. And I want to say a word more about this Government paper. I hold that of all paper money in the world the most dangerous is that issued by Government. It has always and everywhere been fatal. It has been tried over and over again in this country. The Colonies issued paper money, and it all came to nothing. It was tried by our Congress, as you all know, with the same result. Now, the reason of this, in my opinion, is, that paper money is always a promise to pay, and any party issuing money, which is a promise to pay, should be a party under the law, and not above the law, so that payment can be enforced against that party, so that the party may be obliged on all occasions to conform to his promise by law.

We have had some experience with the present issue of Government paper. You know that by law we began to reduce the amount of the legal tenders. It was reduced \$44,000,000. What happened? As soon as the Government had the least need of more money, that very legal tender that had been ordered to be withdrawn was put into circulation again; and with Government paper in circulation, whenever there comes any sudden emergency, which the Government is not prepared to meet, the difficulty is met by issues of more paper money! In case of war this policy is likely to be adopted to an extent that would be ruinous. But suppose Government did not do this thing; there would still always be the danger of it, and always be uncertainty about the currency; for we should never know how soon there might be an issue of more of it. I hold that this legal tender paper money is the fatal thing in our currency, and that it ought to be removed. It is said by some, abolish the legal tender clause, and make all debts payable in specie. In my opinion, that would be one of the worst measures ever taken in this country in regard to currency; because if the Government did

not meet its obligations—and they might be suddenly very large—it would be considered insolvent; and that would affect all the bonds and the whole credit of the country. We ought not to be placed in that situation. It is said that because Government issues gold and silver as money, and is the only party that can do that, it should also have power to issue paper money; but the difference between these two kinds of money is a very radical difference. It is out of the power of the Government to increase the value of a gold dollar, or to lessen its value. What we get from Government is not any value imposed on this gold; it is simply a certificate that it is of that value, and that makes it money. Everybody knows, without testing or weighing it, that it is a dollar, because the Government has certified to that fact. It is perfectly safe for Government to issue gold and silver money; and not only safe but it is obligatory on Government to do it; otherwise there would be no certainty about this gold money. All the Government does is to stamp or certify to its value. The stamp does not give value to it. The paper dollar is a very different thing. You destroy the stamp on a paper dollar, and it is of no value whatever. There is no value in the substance at all. Therefore paper money, if issued at all, should be issued by a party under the law, against whom the promise which it contains may always be enforced. If it is issued by a party above the law, you are never safe in regard to it. They may change or abrogate the laws in regard to it, so that you don't know what you have in your hands.

The last resolution proposes that Government should withdraw and cancel this legal tender paper.

A MEMBER: Does it provide for any stipulated amount to be withdrawn?

Mr. WINSOR: No, sir. One thing you may be sure of—that the amount will not be too large if you leave it to Congress. It will be too small. The gentleman need not have any apprehension on that score. It says, "shall withdraw and cancel these legal tender notes," and it is asked, how withdraw them? It might be permitted that the customs dues shall hereafter be paid in legal tender to a great extent, and in that way as much as they want to destroy will be brought into the Treasury. I think as much of it as they will feel disposed to withdraw, and as fast as it can prudently be destroyed, would come in in that

way. The withdrawal of this paper, in that manner, is sure to produce specie payments in this country. When you begin to lessen the amount of the legal tenders, it will become more and more difficult for the banks to secure them for the redemption of their own notes, and they will be obliged to supply themselves with specie. In my opinion, all that is needed is the withdrawal of these legal tender notes, to bring about specie payments in this country. It is sometimes asked, how and where will we get gold with which to resume specie payments. I apprehend there is no difficulty about getting gold. There is no gold remaining in this country now, except what is wanted for use here. It would be foolish to keep any more money here than is wanted for use, because it would be dead capital. As soon as there is really need for more gold, more gold will remain here, for the same reason that some gold remains here now — that there is use for it. That is what keeps gold in any country. Gold unused is nothing but dead capital. But if it can be put into use, if there is a use for it, gold will remain here, just as wheat. We have a crop of wheat; we export and export, but as soon as we find we have no more left than we need for our own use, the price goes up, and there is no more wheat exported; just so with gold. You may put ever so much gold into circulation here, bring ever so much into the country, but it will not stay here unless there is need of it, and use for it. Why should it remain here? Who will keep it here? You find the gold going continually out of the country, and in any state of the exchanges, in any state of imports and exports, gold that is not wanted in this country will go out of the country. Not wishing to detain you longer, I will only say, I am clearly of the opinion that we will have no specie payments in this country, at least none that can be maintained, until we withdraw this Government paper from circulation.

Mr. COWDIN, of New York: In rising to second the resolution of the gentleman from Philadelphia, I desire, first of all, to make my acknowledgments to the Executive Council of the Board for the very admirable presentation of the subject of our national finances in their annual report, which we have listened to with such manifest satisfaction.

Fundamental principles demand a return to specie payments, because, in the precise sense of the term, nothing else is payment except specie. There never was a more pernicious fallacy in

finance than to suppose that a promise to pay money, whether the promise be made by an individual or a government, is, in itself, money.

If you look at a legal tender note, you will find it says "The United States promise to pay to bearer ten dollars." If you look upon a gold eagle, you will find there is no promise to pay. It, in effect, says: "*I am* ten dollars." If you demand payment of the note, according to its terms, at the Treasury of the United States, is the promise redeemed? Not at all. You are turned off with no satisfaction, or, at best, only another government promise to pay, thus showing that the bit of paper in your hand is a pictorial delusion,—an engraved snare? If you import goods into the country the United States will not take its own promise in payment of duties, but compels you to pay them in coin. Is this wise? Is it just? Is it honest?

And now, after ten years of profound peace, shall we, as practical business men, here assembled, dignify this system with the name of a sound financial policy? No; I will do you and this company the justice to answer for you, no! The commercial nations of the earth measure values by a specie standard. This is the international code of finance. We stand among the foremost commercial countries of the times, and, if we would command their respect and confidence, we must recognize the common standard by returning to specie payments, and do so at the earliest practicable moment. A wise expediency demands such a course. A circulating medium is to a commercial nation what the blood is to the human system. If the circulation be healthy, then the body politic will be vigorous; if it be vicious, then the result will be disease, and if it be long continued, ruin will inevitably follow. One of the essential needs of a great community largely and widely engaged in trade is a healthy circulating medium; or, in other words, money,—real, genuine money. The Indian tribes for this purpose used wampum. Thinly inhabited settlements have contrived to live by that interchange of commodities called barter; but even the aborigines and frontiersmen carried on their traffic by paying in something tangible and substantial as they went along. They did not scatter abroad mere promises to pay at some indefinite period in the future, and call it actual payment on the spot.

Paper money not based on coin, made a legal tender, is a mere arbitrary sign having no fixed value. This has been its character

ever since it was invented. It can be issued in unlimited quantities at cheap rates, because the supply is only limited by the ability of the government or corporation that issues it to purchase paper and run printing presses. It naturally tends to inflation, as its history proves. It readily becomes redundant under a pressure, and thus for a time elevates prices, stimulates speculation and encourages extravagance. When the recoil comes, as it always does come in due time, the result is severe depression, the derangement of trade, the depreciation of prices, the alarm of capital, the impoverishment of labor, the bankruptcy of individuals, and wide-spread national ruin. History abundantly proves that this is an epitome of those financial epochs in the annals of commercial countries when they banish gold and silver from circulation and supply their places by a profuse issue of irredeemable paper promises.

The severe reactionary crisis through which this nation is now passing, only adds another chapter to this huge volume of financial calamities. The root of the evil is plainly traceable. The National Bank note can redeem its promise by paying in a legal tender note, and the promise of the legal tender note is a delusion and a snare. And when the business of a great nation is based on a delusion and a share, it will sooner or later come to grief. And this is one of the chief reasons why to-day tens of thousands of laborers are out of employ. The agricultural products wait for purchasers; the wheels of the manufacturer rust in idleness; the shelves of the trader bend under unsalable goods; the ships of the merchant lie idly at the wharves, and a general cry goes up from every part of the land, "The times are hard and the people are discouraged."

And what is the remedy which some would propose for this sad condition of affairs? It is for Congress to issue more paper money — a remedy as unphilosophical and destructive as to give to the inebriate still another draught of the intoxicating bowl. It might produce a momentary flush of the cheek, and flickering of the pulse, but the collapse would only be greater in the end. So, likewise, a fresh infusion of greenbacks might possibly stimulate business for a brief period, and lead to another inflation of prices, and to greater extravagance and still wilder speculations, but the ultimate reaction would only be more violent, and the final fall deeper and more hopeless of recovery.

This modern doctrine, that a promise on paper to pay money

is of itself money, is one of the wild chimeras which, all are aware, grew out of our late civil commotions, with their attendant immense expenditures, unprecedented extravagances, reckless investments, and rash speculations. Under the pressure of the war, paper, by coercive legislation, was forced into the place of gold, and the coinage of the country soon ceased to be a standard of values, and became a mere commodity, bought and sold like grain or pork; and worse than that, a mere gambling instrument of the worst character.

Our national debt, at the close of the war in 1865, in round numbers, was \$3,000,000,000. The reduction of it from that time to the first of March last, has been at the unparalleled rate of \$90,000,000 per annum, amounting to \$862,684,011, thus reducing the debt, in less than ten years, to \$2,137,315,987. And yet, in the face of this magnificent financial showing, and with a Secretary of the Treasury of acknowledged ability and commanding confidence, such is the general distrust in our financial system, that to-day legal tender notes and national currency are at a greater discount, or, in other words, gold is at a higher premium than it has been on the average for years past.

By the Act of Congress approved the 18th of March, 1869, "the United States solemnly pledged its faith to make provision, at the earliest practicable period, for the redemption of United States notes in coin." But what heed was paid to the act? None whatever! Indeed, did not the last Congress, by a large majority, utterly ignore that pledge by the passage of a currency bill tending directly toward further inflation?—but which, happily for the country, failed to become a law through the fortunate interposition of the veto of the President. (Applause.)

The attempt to swell the volume of this sort of mock money should be resisted by every conservative business man. No apparent temporary relief, no spasmodic activity, would compensate for thus aggravating an abnormal system of finance. There can be no permanent prosperity of the country based on such a sandy foundation. Enduring success must rest on a solid basis—on that which all commercial nations recognize as real money. The opposite policy, of inflation, would drive us still further from shore; and, if persisted in for a series of years, would whelm us in bankruptcy, whose only historical parallel would be the disasters which overtook France in the first revolution, when she undertook to force *assignats* upon the people.

In my judgment, of all the sections of the country, the West and South, in view of their great staple products, measured by international coin, most require a prompt return to the specie standard. It is gratifying to observe that public opinion is steadily drifting in the right direction. Those who advocate the pernicious doctrine — a system of irredeemable paper currency — whether East, West, North or South, are sure to be beaten by the people, and so signally, too, as to tarnish their prestige in the national councils. Let them pause and return to sounder views and honest, hard money.

The chief obstacle in the way of a resumption of specie payments is the existence of the Legal Tender Act. Indeed, this act may be regarded as almost the only hindrance to a prompt return to that condition of things, for its practical operation is to interpose an insuperable barrier. By enacting that a paper promise shall be a legal tender for the payment of debts, the law enforces a suspension of payment in coin quite as effectively as if it prohibited it in express terms.

There have been previous suspensions of specie payments in this country, but never until the passage of this act was anything, except gold and silver, made a legal tender for the discharge of pecuniary obligations. The previous suspensions occurred in very extraordinary financial emergencies. They were the result of a general concurrence of commercial opinion of the necessity of such a measure. They were of comparatively brief duration. The actual suspension was confined mainly to the banks. In dealings between the people, gold and silver continued to be used to a large extent; but the wide difference between those suspensions and that which has been upon us for the last dozen years is, that then no creditor was bound to receive anything but coin from his debtor, whereas now the law compels him to take paper which he can convert into coin only at a large discount. This anomaly in finance has been productive of nothing but evil since the war terminated. Always of doubtful constitutionality, it was resorted to as a dire necessity amid the clash of arms, and by some fatuity it has been continued during ten years of profound peace.

Repeal the Legal Tender Act, and there must be a speedy return to a condition of specie payments; for then, as in all previous history of the nation, gold and silver alone could discharge a legal obligation. But the policy of non-payment in coin has so

long prevailed that a repeal of the Legal Tender Act, which should take effect immediately, would doubtless be unwise. The repealing act should not go into operation until a suitable time after its passage. During the interval, business could prepare for the coming change. Moreover, the repealing act should be accompanied by a wise revision of our banking system, protecting existing institutions from a too sudden application of the terms of the repealing act, and giving power only to issue currency convertible into coin on demand.

Too much apprehension has been felt as to the effect of a speedy resumption of specie payments by the repeal of the Legal Tender law. It is discussed by some as if the resumption would be instantaneously followed by a universal demand for the payment of all debts in coin. There could hardly be a more erroneous supposition. Nothing of the sort would occur. The practical working of a repeal would consist simply in the gradual redemption of the legal tender notes, according to the promise which each note contains on its face. The United States owe \$382,000,000 of these demand notes, or one-sixth of their entire indebtedness, and it is safe to assert that they are all past due.

What would be thought of a business house owing a large amount of borrowed money or bills past due, in addition to notes on time, if it were to apply all its available receipts to buying up its immatured long notes, leaving the demand claims unsettled, and ignoring the interest on them? The payment of unmaturing debts, while no effort was made to pay past due debts, would be a flagrant act of injustice which no court in a civilized country would tolerate between individuals, and, under our laws, would subject a firm to be adjudged fraudulent bankrupts. Yet such has been our policy, as a nation, in buying up bonds having years to run. Repeal the Legal Tender Act, and creditors and debtors would move on as before. Indeed, we should then, as now, have two kinds of circulating medium—coin, and paper convertible into coin at par; and the business of the country, as formerly, would be mainly carried on in the latter, because such paper would practically be just the same as coin. But the difference between now and then would be immeasurably wide. We should then have two kinds of currency, both equally good and stable in value; whereas, now we have two kinds—one good and stable, the other wholly arbitrary and constantly fluctuating in value.

As soon as we repeal the Legal Tender Act and pass the neces-

sary accompanying laws, and thus return to a specie basis, the supply of coin will be abundant for all practical uses at least. Gold and silver are abundant with us now. They are, indeed, a part of our national products. The demand will bring a supply. We annually produce millions upon millions of specie now, and when, like our friends in California, we so learn to conduct our business and exchanges as to require its use at home, it will stay at home without evoking any arbitrary legislation to keep it here. Who can deny that a nation, which yields one half of the annual product of the precious metals of the world, can retain enough to supply its own necessary wants? Must it, by legislative edicts, continue to be banished from its native soil?

The resources of the country are abundant. They are as multifarious in kind as they are munificent in quantity. The means for bringing forth these resources are ample. The facilities for transporting them from place to place, from the interior to the seaboard, and from the seaboard to the remotest parts of the American Union, and to foreign lands, are equal to those of any people on earth. And yet all must admit that to a greater extent than ever before capital lies idle, labor stands still, trade languishes, the means of transportation are scantily employed, and thus business of all kinds is utterly demoralized. And why is this? Have American citizens degenerated, and ceased to be enterprising? Not at all! But the times demand a higher degree of common honesty, and more rigid economy in both public and private stations.

What we most need, to give life and impetus to the great commercial and industrial interests of the nation, is the encouragement and security that would be afforded by a sound, stable, normal currency, the same in value when we buy as when we sell,—a currency based on gold and silver, which, and which alone, the world recognizes as money.

Mr. BUZBY, of Philadelphia: Every question has its two sides, and this one of finance is the great underlying one, upon whose solution depends the successful carrying out of all your transportation, and any other schemes that may be devised for the welfare and comfort of the American people. As you decide that question, so will you decide for the general welfare. If we are to adopt a policy of repression, we must expect all our enterprises to lie in abeyance. If we choose to exercise a generous

forbearance, we may expect our industries to revive, and the country to become successful and prosperous. I have been amazed, ever since this became a question before the people, to **find how much reliance is placed upon the legislative decree.** You cannot, by act of Congress, make a people prosperous. You cannot force measures beyond their natural base. You may cherish the idea of specie payments, but you cannot, by saying that you believe that that ought to take place to-morrow, that therefore it shall take place; and, feeling that your own personal volition is not equal to that purpose, that you therefore shall go to Congress, and compel them to reiterate the idea, to be attended with the same result. It has been stated here by the gentleman who has just sat down, that Congress has taken measures in this direction, and then absolutely ignored them, voting again for inflation, thereby showing that they had attempted an impossibility, and were compelled to recede from it. The only means by which a country can grow in power and wealth is by allowing its people untrammelled to pursue each his own line of occupation, and so increase the sum of the general wealth; but if you undertake, by legislation, to impress the people with the idea that they are to be interfered with by artificial restraints and impediments, the whole industry of the country must languish, and at the end of four years you shall find, that so far from having advanced toward the desired point, you have receded into the indefinite future. That is my firm belief. I do not believe you can legislate for the action of men in this respect.

The common desire to increase our individual well-being will prompt us all to adopt that line of action which appears to us to be the wisest, and the sum of all these efforts will be the increase of the general wealth, and with it the ability to restore specie payments. That appears to me as the simple philosophy of this question. Now, if I am in the minority, I am to be supposed, of course, to be wrong, but it does not always follow that a minority is wrong. I have heard some people say that the minority was generally right, because they are apt to do the most thinking. I have not been able to prepare a formal reply to the gentlemen who have preceded me. I can speak only upon the spur of the moment. But, sir, I want to call your attention to a few facts in this connection. Mr. WINSOR, and others, want the circulation of the country reduced as a necessary step, prior to the resumption of specie payments, and we are referred to the exam-

ple of foreign nations. We are told that we must come into the same pale with them; that we must fashion our manner and modes of doing business after them, or else we are acting illegitimately and not respectably. Now, sir, on this question of circulation. I find in the last volume of Appleton's Encyclopedia there was an article entitled Money, and in it was given the circulation of France and of England. These are commercial nations, and ought to furnish some criterion for us by the amount of circulation they employ. In modern times, but a few years ago, while France was unembarrassed by war, her circulation amounted to between thirteen and fourteen hundred millions of dollars — this little compact empire, with a bank within every half-mile, she had the ability to use checks infinitely, a mode of doing business that has been so often cited as something that can be made to take the place of bank note circulation. Great Britain has nearly one thousand millions, with all her specie besides, and with all her notes of hand.. In our desire to return to specie payments we turn our backs on these facts, quoting these nations all the time as legitimate examples. Now, I say they are legitimate examples that we shall not have a contraction that would strip us of \$382,000,000 of legal tenders, and I do not care if you fix the time for two or three years ahead, the effect will be the same. I say you will not be following the example of England and France, and if their conduct is right in these respects, ours will certainly be wrong if we indorse such resolutions as have been offered here, and attempt to have them carried out.

Now, sir, what is the condition of our own Treasury? As I read the last reports we have in the Treasury of the United States at present, exclusive of gold certificates, about \$60,000,000 of gold coin, and we are constantly obliged to sell our gold in order to get this same despised currency with which to pay our daily debts, and it is going out of the country all the time. We have not a dollar we can count on keeping, and we shall not have so long as we owe two thousand millions of dollars abroad, and have to export two hundred and fifty millions of dollars in various ways for interest on state, national, and corporate securities. Every dollar that we can collect will be at the call of the foreigner, and he will shake us with astounding perturbation if we allow ourselves to take this position of financial dependence. Why, sir, for my part, I rejoice that Great Britain can call upon us for

thirty, or forty, or fifty millions of dollars and the trade of the country remains serene. I do not pretend to say the importing interest may not be a little disturbed with these matters, and I am sorry for it; but even the interest of the importer, valuable man as he may be to the community, cannot be allowed to weigh against the interest of the entire country. It ought not to be, must not be. We do not want the man that lives in the interior of Ohio or Illinois to have his fortunes turned upside down in a single night because of some crazy movement in specie, some sudden demand sprung upon the banks which instantly inflicts paralysis upon the entire country. I hope we shall be wise enough to fight measures of this kind, and to keep ourselves clear of the results which they must impose. I think we have done very well, and I never hear any decrier of the greenback but what I feel amazed at the ingratitude of men to the only instrumentality which could have armed us with the power to achieve success in our late civil war; and no matter what skillfully devised diatribes we may launch against the greenback, we know to-day that we are glad to get it, that we will sell our houses and lands to get that which fits our pockets more comfortably than gold. We know that the impress of the United States does give the greenback respectability, and where is the patriotism of the man who will say to the contrary. I assert that from the great mass of the population of this country there has never come but one voice, and that has been expressed in favor of the greenback. If I were to march into the rank and file of the people of the United States I would find an army in support of the proposition I assert. So far from being able to support the resolution that has been offered, I should much prefer that one like this should be passed:

*Resolved*, That, in the opinion of this Board, Congress has erred in fixing January 1, 1879, as the date for the resumption of specie payments, and will err in fixing any date therefor, and that contraction of the circulating medium will only serve to postpone such resumption indefinitely.

Now, sir, one word more: France is preparing to resume specie payments, and she has resolved that on the 1st of January, 1878, such resumption shall take place within her borders. Now, what is the condition of France? She has four hundred and eighty-nine millions of dollars in notes wherewith she has three hundred and seventy millions to redeem; that is, she has more than three dollars in specie to five of paper, and yet she takes nearly three years to accomplish a resumption of specie payments.

We have eight hundred millions of dollars in paper, in round numbers, and we have sixty millions of dollars in the Treasury, in gold, to redeem it with. We have less than one dollar in eight, and yet with our sanguine American temperaments some of us are ready to believe that we can resume only one year later than France. Then, too, Congress hampers the Treasury with the purchase of thirty millions for a sinking fund, and again with a silver operation likely to be attended with the same success as the previous one. I almost wish this had never appeared on the programme. There are others who think as I do, and we could not permit the resolution now before the Board to be quietly disposed of without at least raising a warning voice in remonstrance.

Mr. HAYES, of Detroit: I hold in my hand, contained within about three lines, the entire solution of this question. (Laughter and applause.) Congress has no power to dictate to an individual how or in what he shall trade, therefore each person imports just what he likes, and the result is, our imports are \$165,128,000 since the first of January, and our exports are \$105,000,000, so that we have \$60,000,000 in balance of trade against us in six months. Until Congress can legislate that a man shall not import goods, we have got that balance of trade to pay, and it is payable in specie, and is not under the control of Congress at all. When gentlemen tell us that we should resume specie payments, I ask them if we have ever suspended specie payment when we pay our debts due in foreign lands. We have exported forty millions of specie since the first of January for the very purpose of meeting these balances, and I tell you that until we can manufacture our own goods, use our own iron, wear our own clothing, manufacture our own cotton and use it, the balance of trade will be against us, and that is all there is of it. (Applause.) No Congress can legislate for you or me that we shall not go to England and buy our clothes and our laces if we like and come back here, and so keep a balance of trade against us all the time. I will ask my friend from Montreal, if I come over there and buy some wheat from him, and make a note payable at the bank of Montreal, and I take these dollars that are manufactured here in the city of Philadelphia to pay my note with, whether they will take them at their face value, he will tell you they won't do it. You must send something that is up to the standard of specie as recognized by the world. They

won't take your silver dollar, because it is not up to the standard that is required; therefore you have the same difference between our specie and other specie that there is between specie and the greenback. So you have still other troubles to settle, and the whole thing comes down to whether we shall manufacture and trade within ourselves, and not make a specie basis necessary for the settling of balances against us in foreign countries. That we never can reach until we can get our bonds home, and keep our own business within our own territory. I take it, Mr. PRESIDENT, that is all there is of it, and that we should not pass a resolution here that will fall powerless on Congress and have no effect anywhere.

Mr. COWDIN: I would like to ask the gentleman a question in regard to two of the most important interests of American industry; not that I propose to discuss the tariff question, which is not before us, but I would like to ask the gentleman if the iron interest and the woolen interest are protected to his satisfaction, and if the present condition of those two great interests is satisfactory to him? Do we require further action on the part of Congress to aid those interests or not?

Mr. HAYES: I think we should legislate so that whatever we have in the United States that we can manufacture, should be so far protected that we can compete with foreign powers. When you take cotton that is raised on American soil, and export it to England, and then import it back again, I tell you that state of things is wrong. If we have not duty enough to protect it, then we should have more; and the moment we can get so we can manufacture to compete with England, I do not care a cent whether there is a dollar of duty on it or not.

A DELEGATE: I would like to ask you what we would do with our products, in that case?

Mr. HAYES: Precisely what we do now. You would ship your products to the old country, if they needed them. If they did not need your grain, it would lie in Chicago, where it lies to-day, because you cannot export it and get your money back; and there is nothing else to it. When the balance of trade is in our favor, or we cease to be exporters of specie, then we come back to the specie basis, and never can until we do that.

Mr. MERWIN, of New York: I should like to ask the gentleman a question. Some time ago, in a body like this, this question of imports and exports was discussed. It was said by a gentleman from the other side of the water that at present only about one-fifth of the supply of produce to the continent of Europe and to Great Britain was supplied from this country; and the reason was, because the commercial interests of that people led them in other directions, which afforded them greater inducements to buy. Now, if we cannot exchange the products of our soil with the manufactures of Great Britain, Great Britain's demand for produce will go where they can exchange their manufactures, and our western farmers' grain will rot in their warehouses. It is this commercial exchange which gives to this country its prosperity; and we might as well attempt to increase the prosperity of this country by shutting up all our commerce, and forcing people to eat and drink and wear what can be produced here on our own soil, and by our own manufacturers.

Mr. HAYES: I would state, in reply to the gentleman, that it comes right back to the same question of supply and demand. When our people will not furnish a bushel of grain for less than a dollar, and England can buy it for eighty cents anywhere else, they will go to that eighty-cent market.

Mr. MERWIN: How can they supply it for a dollar, when for the purchase of all their implements they are compelled to pay two dollars where England pays one?

Mr. HAYES: I think the question is simply one of supply and demand, and the balance is to be paid in specie, which we have never yet failed to pay.

At the request of Mr. EGGLESTON, of Cincinnati, the Secretary then read the resolutions submitted by Mr. WINSOR and by Mr. BUZBY.

Mr. EGGLESTON: I do not rise to make any remarks, but merely to ask the author of that resolution whether it is his intention to inform Congress that it is the view of this Board of Trade that this \$382,000,000 of legal tender notes should be immediately withdrawn from circulation, and they advised by us to give us as a substitute something in the place of them; or is it your intention to have the circulating medium of this country

reduced by that \$382,000,000 without supplying anything in its place?

Mr. WINSOR: The resolutions do not mean any more than appears on their face. They leave the question of the amount of paper money entirely open. They only ask that a certain amount of currency be retired and canceled. Now, you may have just as much of any other kind as you please, so far as I am concerned. I tell you, you need be under no apprehension that you will not have paper money enough in this country. You withdraw these legal tenders, and my apprehension is that you will have too much issued of another kind. I myself am in favor of free banking, under proper restrictions and regulations. The passage of that resolution would mean nothing but this, that we wish Congress to withdraw the legal tenders from circulation, and they should be put out of the way.

Mr. GROSVENOR, of St. Louis: If I understand the gentleman's last remark, he proposes to withdraw the legal tenders without any change in the present National Banking Act, leaving it at the option of bankers to issue just as large a volume of National Bank notes as they may be able to issue under the restrictions now provided by law. Is that his understanding?

Mr. WINSOR: I only propose by those resolutions that a certain kind of paper money shall be withdrawn from circulation. I do not propose to have more of any kind, but if gentlemen wish to have more, under proper restrictions and regulations, I have no objection.

Mr. WETHERELL, of Philadelphia: I did not intend to say a single word on this subject. For myself, I feel grateful for the sound words of wisdom, as expressed in the speeches of Mr. WINSOR and Mr. COWDIN. No one can deny their soundness, I think, because some day or other we must come just exactly to the conclusions and to the results which they desire, and which they, perhaps, think can be secured sooner than others who differ with them. But when we come to present a plan by which the resumption of specie payments at a time fixed by act of Congress will come properly about, then we drift into the old difficulty. One gentleman has his plan, another gentleman has his. We all become financial doctors; but, in my humble opinion, the people of this country, shrewd and prudent, looking at the past

and noting the failures which they made therein, knowing very well the demoralizing effects of war, knowing very well the demoralizing effects of over-trading, are beginning to-day to put themselves in shape for 1879; and I doubt very much whether they will pay a great deal of attention to any plan, or any suggestion, no matter how wise or prudent it may be, which will in any way differ from the plain, practical, common sense method, which it seems to me the trade of this country will be looking to and shaping themselves for by 1879. I need not allude to the speculative mania which resulted from the effects of the war, and of the over-trading which followed it. Our own records show it. Railroad after railroad presented to this body to be indorsed by it; water-way after water-way presented to this body and indorsed with a unanimity which is surprising. Almost every one, no matter how costly, met in some degree with the approval of this Board; and yet, sir, I was struck with the action of this Board yesterday. Bearing in mind, five or six years ago, our own course upon the Kanawha water-line, costing \$55,000,000, which received almost the unanimous vote of the National Board of Trade, only five voting against it; and yet to-day we positively and unanimously decline to recognize any action by Congress, or otherwise, which will look to any extravagant internal improvement. Are we not here, perhaps unconsciously, doing just what the people of this country are doing? We know, or hope, that in 1879 we must resume; and this great shaking which is now going on through the length and breadth of this land is, in my opinion, but a preparation in an honest, fair, and manly way to meet that issue. Men in business who are out at sea are coming into shore. All this over-trading under which we have groaned so long is being cured, not by our action, but by the prudent, careful, sober second thought of an honest commercial people.

What we want is strict economy; what we want is to set our face against extravagance; what we want is to put our house in order, each man for himself. This is a personal matter. I want no financial doctor to tell me what to do to get ready for 1879. I know that I have got to manage my business prudently. I know that when offers are made to me for advantageous profits in any over-trading, I am to turn my back to those offers. I am to manage my business prudently, shrewdly and carefully. We have been talking for a long time on the question of transportation, but the railroad war which has just been settled would show us

that the railroad interests of this country are not to be managed as they have been managed. Economy in the management of the railroads of this country has become the watchword; and as that will, and has already, produced good results, it seems to me that in that we can perceive a clear indication of what the managers of our great railroad enterprises intend to do. The same is true in regard to our manufacturing enterprises of every sort, and also of our mining interests. During the war, and after the war, the miner of our coal regions felt that he could live and support his family in such a way as would make him, in his own foolish opinion, the peer of some one else, and the extravagance, owing to the enormous wages paid, was such that that great interest became demoralized. But to-day we see that the conflicts between capital and labor, caused in a measure by the high price of labor, have practically ceased, and that both capital and labor have concluded that a new departure must be taken; that economy must take the place of extravagance; that we must manage our affairs prudently; and in the settlement of this conflict I am sure that both capital and labor will be benefited. The signs of the times, in my opinion, in this regard, are as plain as the sun in heaven; and, sir, although I clearly and emphatically indorse every word that has been said in support of them, I doubt very much the propriety of adopting the resolutions submitted by Mr. WINSOR.

Mr. JEFFRIES, of Philadelphia: Our opinions as business men throughout the country differ as to the effect and time for the resumption of specie payments. We find in all ages and in all countries diversity of sentiment upon matters affecting commerce as well as political and religious questions. This question seems to be the absorbing question of the day. Congress, commercial and financial conventions, and views of men, vary as to the time and probable results of an early resumption. All want to reach the best method and the earliest practical moment that will not bring disaster on any section of the country, and not disturb the market values of merchandise, and will secure the prosperity of our people. Are we prepared to resume? Will legislation by Congress accomplish it? Or, shall we leave it to time to settle this vexed question? Trade is paralyzed, values have shrunk, and thousands of our people are out of employment. What has produced this stagnation in trade? Is it

caused by the agitation of this question, tradesmen hesitating to operate for the future, fearing the result of the country's resuming before we are in a condition to maintain it? Congress can fix upon a day for resumption, but will they be ready to maintain it? It is earnestly hoped that when the Treasurer begins payment in 1879 there will be enough gold in the hands of the Government to redeem its currency. I have read, a day or two ago, that the New York banks alone hold \$17,000,000 less specie than they did this time last year. We now have a uniform paper currency that is worth just as much in one section of the country as in the other. France has a legal tender circulation — irredeemable paper money — equal to forty francs per capita, and a recent dispatch says that specie in the Bank of France has increased 10,777,000 francs during the past year. The United States proposes to reduce the legal tender greenbacks to \$300,000,000, less than eight dollars per capita, and specie is going out of this country at the rate of several millions every week. Our territory is many times greater than France, and we need more of a circulating medium.

Government bonds are as much sought after in Europe as in our own country. Our exports last year were \$680,403,973 in currency, and our imports \$577,369,711 in gold. This was caused, no doubt, by the demoralization in trade. Now, to follow this up will bring us nearer specie payments than any act that can be passed by our National Legislature. As long as the people are satisfied, what difference can it make as to the commodities used as money, whether it be gold, silver, or paper? I admit that a currency of gold or silver is the most secure and permanent; but notwithstanding these advantages, paper currency is of great use in carrying on commercial transactions. We are told by history that different methods have been in use by different nations; that iron was a common medium of exchange among the Spartans, and copper among the Ancient Romans, and gold and silver among all nations. Confidence is a mighty principle of trade. Confidence will bring about resumption quicker than legislation. Let us practice a wholesale system of economizing both in household, personal, and business expenses. A rigid system of economy in business will bring us again to first principles and healthy reaction, and all will hail the healthful condition brought about by confidence and economy, and specie payments will be a reality.

Mr. JOY, of Newark: This is my first appearance as a mem-

ber of the National Board, but I have not been unmindful of the fact that, ever since the organization of this body, this question of finance and currency has formed a very important part of its deliberations; so much so that the flood tide of discussion which had been raised at these annual gatherings has overrun and permeated the quiet retreats even of local boards, such as the one with which I am connected; and we have to fight the whole question out there in very much the same way as you gentlemen seem to be obliged to fight it out here; but, as I have often said, with what result? What has been the result of the discussions throughout this country for the last six years, in regard to a return to specie payments? What settled principle has been adopted by the business community? With this one exception, I can see none. I think that the business people of the country are in favor of this general proposition: that the country should, at the earliest practical day, return to a specie basis. Now, why is that accepted? Not only because it is true, but because it is so general. Upon that platform all men—north and south, east and west—can rally. But a diversity of opinion is developed when gentlemen come into the National Board, or a local board, and seek to impose a special scheme for resuming specie payments upon the consideration of such bodies, or upon Congress. Now, sir, I have in my hand the proceedings of the National Board in Baltimore, in which one hundred pages are consumed by the discussion of the various points which are now raised here; and I venture to say that in the reports of every National Board held in the last five years, an equal or greater number of pages have been taken up by the discussion of the very same topic; and yet I venture to say that this body cannot be brought to a distinct vote upon any question which can be recognized as a final settlement of the question. The Board at Baltimore adopted resolutions very general and very vague—about as vague as the resolution we have before us now; for upon careful perusal of the resolution offered by the gentleman from Philadelphia, I see that the only distinct proposition of the resolutions is that greenbacks shall be retired. How many retired, or when retired, is left an open question. What is it good for, then? Why, it is simply a reiteration, in a very vague form, of the fact that we are in favor of the resumption of specie payments at an early day. But what shall the banks do for a reserve? What shall be done with the thousand and more minute, distinctive-

questions that press themselves home on every financier and bank director, or stockholder, when the question of resumption comes up? That you are not able to meet. You cannot meet it. You are not disposed to meet it. It seems to me our action here should be of a kind which should encourage Congress, lift up its hand in the general road it appears to be traveling — and that road, I think we must assume, is in good faith toward a return to specie payments. I think the country understands, no matter what criticism political feeling may have brought out, that Congress, at the last session, in taking the steps it did, looking toward resumption, meant what it said, and intended that at the time named we should resume. God only knows what would be the result, if there should be an attempt at immediate resumption. With our vast outstanding indebtedness, with our complicated bank system, no man dare predict what would be the result to the industries of the land, from an attempt at immediate resumption. Again, we should deal as Congress must deal with this question, and seek the solution of it in quiet and practical ways, by degrees, feeling our way as the country improves financially, and as a more general sentiment pervades the community, in favor of definite action, or as a greater centralization of views on some particular plan to resume takes place; then Congress, moved on by this public pressure, will legislate.

During this debate some gentleman has been disposed to arraign Congress for taking any action at all in regard to our finances. It seems to me Congress must legislate in regard to finances; though, as I said before, I deprecate any resolution from this body seeming to dictate in what direction it should legislate, or what particular thing it should do. I am in favor, of course, of a general expression of feeling. Congress is empowered by the Constitution to regulate money, and to fix the amount of money; and then, when I am asked the question, "Why do I, or any hard money man, insist on Congress passing any act to make a greenback equal to a gold dollar?" we simply say, "Because it has assumed the obligation to do so." It assumes to give us money that shall be recognized, not only through this country, but world-wide. The fact that the Government has not made our coinage equal to the coinage of the other nations of the world is no reason why it should not take immediate steps to bring our legal tender dollar up to the basis of the gold dollar. So I say, and that is all I want to say. I want just to enter a protest

against a long discussion on a question of detail, and a suggestion of putting ourselves on record, as we have in years gone by, by an expression in favor of specie payments. It seems to me all we need to do is to say that this Board of Trade is in favor of any legislation which, in the opinion of Congress, tends toward an early resumption of specie payments. We have already placed ourselves on record in years gone by, and especially in Baltimore, on this question; and if each one of us presses his view of what is proper, there will, I fear, be no homogeneity of expression, no unanimity of opinion, and I am afraid our recommendations will scarcely be heard beyond the walls of this building.

Mr. HOLTON, of Milwaukee: The record of the proceedings at Baltimore, the gentleman says, contains a hundred pages. Well, the record of the proceedings of the National Board and the great convention at Boston continue on from year to year with the same hundred pages, more or less. Our friend, Mr. EGGLESTON, passed a high compliment upon us yesterday. He told us that to this Board of Merchants, plain business men, Congress was accustomed to look somewhat. My judgment is, that those several hundred pages have gone far toward the turning back this horrible, odious doctrine of shinplasters for money. (Applause.) The session, last winter, of the Executive Council did much to turn the current away from the tremendous dangers that threatened the legislation at that time on this question, and did much in forcing the dominant party, as a question of life and death with that party, to bring forward, finally, a proposition to the nation that it should go back to specie payments at a given time. I concur with the gentleman who has just sat down, that our office to-day is not to propose measures, our object is not to attempt to pronounce further upon this question. The National Board of Trade have repeated at each of its sessions its decided conviction that it was the duty of the Government to get back to honest money without unnecessary delay, and gentlemen have each in his place, and for himself, expressed his views with an intelligence on this question which has had weight and force throughout this country, as it justly ought to have. I thank the gentleman from his lucid argument and his lucid discussion to-day. I will read it at my fireside for my instruction and my learning when I have the opportunity. But to-day, it seems to me that we want to adopt another role than that which we have

adopted hitherto, as has just been suggested. I would have a resolution, which I will offer before I am done, which expresses my view as to what we may now say on this question. I am going to assume for myself, at home among my neighbors, with that Senator who represents me in Congress, with any man that has anything to do in Congress. I am going to hold him responsible for executing this law of last winter in regard to resumption. No dodge is going to enable him to escape his responsibility for not coming back to money. Out upon this condition of things that has bewitched our people, and made every boy in the land—because he has heard of the many successful wildcat schemes that have been started, and have followed one upon another with a gaudy and dazzling splendor—want to be a Jim Fisk, or rush to Philadelphia to be a Tom Scott; every boy in the country is bewitched, and cannot be induced to take his father's farm and earn his bread. I am willing to give a premium of one hundred dollars apiece for ten nice girls in Philadelphia that will be willing to take a nice farmer's boy and go out and be a nice farmer's wife. Yes, sir, we must bring back our country to fair, honest pursuits. We must go back to the corner stone of all prosperity, the bottom rock on which we ought to stand. We must come back to solid money. No more fictitious values in houses, and stores, and shops that cannot stand their chance with the great tide of trade that sweeps around the world.

England, and France, and Turkey are becoming neighbors. Japan is our neighbor to-day, and she is a better neighbor in some respects, because in her low state of civilization she knows what money is; and you cannot buy a pound of tea in Japan without you take with you your silver dollar to buy it with, or such commodities as she chooses to buy. And so in this country we must come back to sound principles, and to sound and honest money; and hence, I say, that with all my power I shall urge upon the representatives from Wisconsin that they do not touch this matter in any other way than to adhere to this pledge for the resumption of specie payments in 1879, if that be the date that is fixed. And I want to say, in my humble way, as a merchant. I thank you, gentlemen of Congress, for at last pointing us in the right direction, and I want now, that you shall see to it that there be no failure in doing this great thing that you have proposed. I will submit my resolution, and ask that this Board will

content itself with that simple expression at this time. It is as follows:

*Resolved*, That the National Board of Trade hereby expresses its sense of satisfaction that Congress has fixed an early day for the resumption of specie payments; but it cannot withhold an expression of its concern that no well-considered measures have been adopted for the execution of that measure, and begs of Congress that it will, at the earliest period possible, place suitable means in the hands of the Secretary of the Treasury for the proper execution of the law providing for resumption at the time named. (Applause.)

MR. COWDIN: I would ask the gentleman if the resolution would not be better if he would erase the first word "early?" Four years is not very early in the future. It may be in the past, but it is not very early in the future.

MR. HOLTON: I will strike out the word "early."

MR. JEFFRIES: Would an amendment be in order?

THE PRESIDENT: We have now reached a stage at which no amendment is in order. The only motion would be to present a substitute for the whole. MR. HOLTON'S is now an amendment to an amendment, and the only additional proposition which could be brought before the Board is a substitute for the whole. If any gentleman has a proposition to offer as a substitute for the whole, that can be admitted. That is the last thing.

MR. JEFFRIES: Then I offer this resolution as a substitute for the whole:

*Resolved*, That no resolution be presented by this body to Congress, for the resumption of specie payments, before the people of the country are prepared for the same.

THE PRESIDENT: MR. JEFFRIES' proposition is now before the Board.

MR. WINSOR, of Philadelphia: I hope that the amendment offered by MR. HOLTON will not prevail here. This matter of appointing a day to resume specie payments has been tried over and over again. The English Parliament, at the time of the suspension in England, fixed not less than six or seven dates successively for resumption. This fixing a day to resume specie payments is very like a sick man's resolving that on a certain day he would be well, and yet taking no measures to restore his

health. The proper way, in his case, is, not that he should fix a day, but that he should take proper means to make himself well, and then he may get well. I hold that until we act, in regard to this currency question, as a sick man would act in regard to his own health, we do not make one single step of progress toward specie payment. I find that a great many of my friends belong to what I called the third class; that is, they are not willing to do anything. They want specie payment in some way or other, and are perfectly satisfied in declaring that they want it. There is my friend Mr. WETHERELL; he says he don't wan't anything done.

Mr. WETHERELL: I didn't hear what you said.

Mr. WINSOR: I say he belongs to that class which I do not respect at all — though I respect him personally — that seek specie payment, but don't want to do anything for it. Now, my friend Mr. BUZBY — I call him my friend, but I differ from him very much in regard to this currency question, — he says that there should be no legislation about this thing; what we want to do is to be let alone. That may have been a very good thing some time ago, but not now, because Congress, having actually provided, by legislation, for this currency, we cannot get rid of it now, except by other legislation. Then a great deal has been said about our indebtedness abroad. I do not think there need be any apprehension about that. What can they do with the debt which we owe them? Suppose our bonds are sent home for sale. If it is for our interest to buy them, we will buy them; if not, they may sell them to some one else. We are not bound to take those bonds when they send them here. I have no apprehension at all about any trouble from the foreign indebtedness.

People are very much afraid of gold going out of the country. I want to point you to the fact that gold came into this country at the time of the panic, and why did it come? A friend of mine, a merchant in Philadelphia, told me at that time he had quite a large amount due him in London, and he said he was uncertain what to do about it, whether to order gold sent here or not. He said he was apprehensive that nothing but gold would answer for payments here, and that he must have gold. He ordered it, and it came; and why did it come here at that time? It was because people believed there would be a use for it here. Even in that panic gold came to this country. Now, why should

not you believe it will come here at other times, when it is wanted? I am rather astonished to find that my protectionist friends, generally, are opposed to specie payments. I hold they will be more benefited than any people in this country by the return of specie payments. Of all the people in this country, they will be most benefited. Under our present system, all our gold goes abroad, which makes just so much of a fund for imports. When that ceases to go abroad, the imports will be less and the exports will be larger. Why protectionists should desire to perpetuate a state of things that sends abroad a large amount of gold, I cannot understand. It has got to return here in some shape or other. I hold that all the industries of this country, every one of them, would be immensely benefited by a return to specie payments, and that they never will be on a safe basis until that time. There will be less difficulty about returning to specie payments now than there would have been at any time, except the time immediately succeeding the war, when there was no commercial indebtedness; and that was the proper time to have commenced these measures. But this time is something like that, in regard to commercial indebtedness. It is not large. I want to say one word more that has great weight with me. It is my belief that this currency has been more detrimental to the morals of this country than anything done by Government within my time. The people of this country have come, generally, to believe in a lie. They believe that a promise to pay is a good thing without any performance of it, and when a people come to believe that a promise is good, and can remain good without any performance, then they believe almost any immoral thing that you may name. And I believe that it is a source of more corruptions, and false notions about our duties to each other, and to Government, than any other thing. And I hold that no price, in money, is too great to pay for an honest currency. I believe, further, that if this thing goes on as it is likely to go on, without any measures being taken, the people of this country will become as corrupt as any people ever were, for we have got the worst irredeemable paper currency, in my view of it, that any country ever had.

Mr. WETHERELL, of Philadelphia: I have been classified by my friend as being one of those who favor a certain method of returning to specie payments; and that method may be styled

the purifying process to which I have alluded. I regret very much to find that he says distinctly, that he is not one of that class. I cannot but conceive that the members of that class belong to just as good a one as any of the other two that he has named. He says that this currency of ours leads to corruption, and that corruption must be purified. I will go further, and say that process of purification is, to-day, taking place. I oppose the amendment, as offered by my friend Mr. JEFFRIES, because I believe that Congress, as well as the people, has something to do in this matter. They have a good deal to do. We must ask the help of Congress in this purifying process, as well as the help of the people. I want to see from the spirit circular "crooked whisky" stricken off. I want to see from the price current "crooked silks" omitted. Let Government do its duty and let it endeavor to collect the duties and taxes of the Treasury in a fair, honest and manly way; not by the way and method which has been in vogue of late, whereby honest men have been accused as thieves and culprits. I tell you, sir, look where we will, we see it, and we can read it plainly — this third class are bound to be, in the future, in the majority; and I glory in it. And I hope, sir, that this purifying process will continue; and the more we look at it the steadier we grow, until, in 1879, we shall be prepared to say that the act of Congress was a wise act.

Mr. JEFFRIES withdrew his substitute, by consent of the Board.

Mr. HOLTON: I now offer my resolution as a substitute for the resolutions previously submitted by Mr. WINSOR and Mr. BUZBY.

The PRESIDENT: The question before the Board is on the substitute offered by Mr. HOLTON.

Mr. HINCKEN, of New York: I hope it will be decided without further debate. But I will simply say, this interminable debate on a question over which we have no control, is, in my opinion, an injury to the welfare of this Board. We can take up questions that we can hope to control, and need not discuss the questions which belong to the Government.

Now, as many of us are here, away from our business, without a great deal of time, I think this should be disposed of without further delay.

Mr. HENRY, of New York: I am as anxious as any gentleman in this room to get gold, and get a good deal of it. I was not able to get a great deal before the war, and I do not anticipate that I will get a great deal of it after we resume. But I do not want to see this question come up again as soon as Congress meets, and other business be blocked out. I want to see them go on and do the business of the country, and let this thing rest. They have fixed a time when they will resume. They can do it much sooner if they try. I therefore move to lay the whole matter on the table.

Mr. STRANAHAN, of New York: I merely wish to say one word, and that is this: that the judgment of this Board in the past is exactly in accordance with the resolution of my friend from Milwaukee.

The PRESIDENT: It has been moved to lay the whole subject on the table.

Mr. HENRY: In order to allow Mr. STRANAHAN to make a good speech, I withdraw the motion.

Mr. STRANAHAN: I am afraid I shall take advantage of my friend's kindness. I arose for the purpose of moving the previous question, which I now do, without going into any remarks.

The PRESIDENT: Mr. STRANAHAN moves that the question be taken on the present motions, without further debate. The question will be first upon Mr. HOLTON's proposition, as a substitute for those previously offered.

The resolution of Mr. HOLTON was then read.

The motion on ordering the previous question was then put by the Chair, and was carried.

The resolution of Mr. HOLTON was then submitted to a vote, and agreed to.

The PRESIDENT: The question now recurs on the adoption of this as a final proposition, and as the sense of the Board.

Mr. GROSVENOR, of St. Louis: Is that subject to amendment?

The PRESIDENT: No, sir.

Mr. GROSVENOR: And is there no parliamentary means by which we can get at an amendment?

The PRESIDENT: Yes, sir, there are several; but it is not the duty of the Chair to suggest what they are. (Applause and laughter.)

Mr. HENRY: I will be compelled to make a motion to lay the whole matter on the table. I believe that motion is in order.

The PRESIDENT: Mr. HENRY moves to lay the pending proposition on the table. That motion is in order, and must be settled without debate.

The motion to lay on the table was lost.

The PRESIDENT: The passage of this resolution finally in its present shape, as the sense of the Board, requires a two-thirds vote.

The resolution was adopted, upon a division, by a vote of 37 to 8.

The PRESIDENT: It is agreed to by a requisite majority as the sense of this Board.

Mr. HOFFMAN, of Philadelphia: As we intend to leave here at two o'clock, I move that we now take a recess, to meet here at half-past one, so that we can leave promptly at two o'clock, when carriages will be in readiness.

The motion was agreed to, and the Board took a recess until half-past one o'clock P. M.

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The Board met at half-past one o'clock P. M., President FRALEY in the Chair.

Mr. MERWIN, of New York, asked leave to submit the following:

WHEREAS, The tax on checks, drafts, and notes, when payable at bank, proprietary articles, perfumes, medicines, cosmetics, playing cards, and matches, are discriminating and annoying to the public, and produce but a small income; therefore,

*Resolved*, That the National Board of Trade respectfully petitions Congress to abolish this form of taxation.

The PRESIDENT: The gentleman from New York asks leave to offer this motion. Shall he have leave?

A motion to grant leave submitted, and agreed to.

It was moved that the rule be suspended, requiring the resolution to go to the Executive Council, and that it be put upon its passage. The motion was voted on, and lost.

The PRESIDENT: The resolution will be referred to the Executive Council.

Mr. PEDDIE, of Newark: I would like to offer a resolution:

*Resolved*, That the National Board of Trade memorialize Congress to take some measures to increase and encourage our foreign trade, so that our manufacturers and merchants may have other markets for their wares, and thereby give employment to our workmen who now are idle.

The PRESIDENT: Mr. PEDDIE asks leave to introduce a resolution. It requires two-thirds to grant leave. Shall it be granted?

Mr. PEDDIE: Perhaps I may be allowed to give my reasons for offering this resolution.

The PRESIDENT: With the consent of the body; no objection being made, Mr. PEDDIE may make an explanation.

Mr. PEDDIE: It has been remarked that this Board has not the influence that it ought to have on the Congress of the United States. How far this may be true, I leave to the Board to judge. Sometimes I think that there is some truth in it. The other day I met a member of the Senate, and asked him what he thought of the National Board of Trade, and of its influence on Congress. He said that the Senate of the United States paid great attention to anything emanating from this body. It has been remarked here this morning that business is dull and languishing; that our merchants and manufacturers are desponding, and that our workmen are idle in the market place, and there is nobody to hire them. England does some good things, and one of these good things is this: She is always looking after the welfare and interest of her manufacturers. She does another good thing. She is always looking out for a market for the products of her mills and manufactories. I hope that our Government

will learn to do the same. The Government of the United States has not attended to the matter as it ought; therefore I beg that this resolution may come before this Board and be given the attention it requires.

A motion to grant leave to Mr. PEDDIE to present his resolution was submitted to a vote, and agreed to.

The PRESIDENT: Under the rule, it will be referred to the Executive Council.

It was moved and voted that Article 16 (Canadian Reciprocity) be made the special order for to-morrow morning at ten o'clock.

Mr. HENRY, of New York: The Committee on Postal Rates are ready to report, but as we are to adjourn at two o'clock, and that hour is near at hand, I ask that it be taken up immediately after the question of reciprocity. If it be so ordered, we will not report now.

A motion to defer the report until after the disposition of the reciprocity question was made, and agreed to.

Mr. GROSVENOR, of St. Louis: I desire to ask leave to offer a resolution, and in offering it, I want to explain that it was for that purpose only that I desired to obtain some opportunity to amend the resolution respecting the currency this morning. It was to add something to the resolution to carry it into practical effect, as I thought. I ask leave to offer, as instructions to the Executive Council, the following resolution:

*Resolved*, That the Executive Council be instructed to consider what practical measures it deems appropriate to carry into effect the suggestions embraced in the resolution adopted by the Board, respecting the currency; and it is hereby authorized to submit such measures to Congress at its session next winter.

Leave was granted to offer the resolution, and then it was adopted by a unanimous vote.

Mr. THURBER, of New York: I move that the question of transportation shall be considered immediately after the dispo-

sition of the report on postal telegraph. The committee will then be ready to report.

Adopted.

Mr. JEFFRIES: I now move to adjourn until to-morrow morning at ten o'clock.

Mr. HOLTON, of Milwaukee: I move to amend, so that it shall be, that when we do adjourn, we adjourn to meet at nine o'clock to-morrow morning.

And, as so modified, it was adopted.

Mr. COLE, of Baltimore: I would like to ask Mr. HOLTON if he has decided to represent this body at the meeting of the Associated Chambers of Commerce, in September?

Mr. HOLTON: I will say that I have resolved to do what I can to so shape my journey that I may perform that duty; but it has occurred to me that it would be more wise for the Board to make another delegate — certainly to invest the President with power to appoint another delegate, so that if sickness, or other causes, shall intervene, or it shall be consistent for any other gentleman to go. I should be very much pleased to have an associate. I think it would be very proper for two gentlemen to be there, if it is practicable. I move that the President be authorized to appoint either an additional delegate or an alternate.

The motion, as stated by Mr. HOLTON, was adopted.

On motion of Mr. ALLEN, of Philadelphia, the Board adjourned until Friday, June 18, at nine o'clock A. M.

## FOURTH DAY.

FRIDAY, JUNE 18, 1875.

The Board met at nine o'clock, pursuant to adjournment. The President in the Chair.

Prayer was offered by Rev. Warren Randolph, D.D., of Philadelphia.

On motion, it was voted that the reading of the journal of yesterday's proceedings be dispensed with.

Mr. COWDIN, of New York, asked leave to introduce, for reference, to the Executive Council, the following, viz.:

WHEREAS, The statistics of our foreign commerce, which are collected through the machinery of the National Government, have been found of great value to merchants and others interested; and

WHEREAS, Our domestic commerce has, through the agency of steam and electricity, largely extended its borders and increased in amount during the third quarter of the present century, and at this time is estimated to exceed in amount that of our foreign commerce in the ratio of at least ten to one; and

WHEREAS, The progress made in this direction has heretofore been marked only at each decade by our national census, and is then presented to the public in such form that its usefulness for business purposes is greatly curtailed; therefore,

*Resolved*, That this Board deems it of vital importance to the material interest of the nation, that a more complete and frequent collection and dissemination of the statistics of our domestic commerce should be made, and upon a scale commensurate with the importance of the interests involved.

*Resolved*, That the value of such statistics for commercial purposes depends largely upon their freshness, and also upon their being presented so concisely that they may be comprehended at a glance, and that, therefore, the agency of electricity should be employed in their collection and dissemination in a manner similar to that inaugurated by the Signal Service Bureau in their reports.

On motion, leave to introduce was granted, and after a few remarks by Mr. COWDIN alluding to the fact that

the New York Chamber of Commerce had already taken action on the question involved in the resolutions, and desired the co-operation of this Board, the preamble and resolutions were referred to the Executive Council for its consideration.

Mr. EGGLESTON, of Cincinnati: As our time is somewhat limited to-day, and there are yet several important questions to be considered, I move that speeches, for the remainder of this session, be limited to five minutes.

At the suggestion of Mr. THOMPSON, of Baltimore, Mr. EGGLESTON modified his resolution, so as to exempt from its operation the chairmen of committees having charge of matters referred by the Board, and one delegate from each body that has submitted a proposition on the programme, yet to be acted upon, when such propositions are under consideration; and, as so modified, the resolution was adopted.

The PRESIDENT: Reports of Committees are now in order, if any such are ready for submission.

Mr. HENRY, of New York, submitted the following, which was read:

The Committee on Postal Rates have had referred to them the following, relative to a postal telegraph:

WHEREAS, The transmission of intelligence by electricity has become inseparable from the transactions of modern commerce, and a convenience and necessity to the whole people; and whereas, this great power is at present monopolized by a few individuals, and the cost to the public for the use of the same thereby greatly enhanced; therefore,

*Resolved*, That the same principle which regulates the issue of patents should be here recognized, and that the public interest should be in some measure protected against a perpetual monopoly.

*Resolved*, That, in the opinion of the National Board of Trade, this object can be best accomplished by the establishment of a postal telegraph, and that in justice to the present telegraphic organization of the country, it should be acquired and paid for by the Government, at a full and just valuation of its property at the present time.

And we respectfully submit the following, in relation thereto :

The only objection to the proposition for a postal telegraph, which has come before your committee, is the view which is entertained by many, that whenever private enterprise can serve the public as cheaply, and efficiently, as can be done through the machinery of Government, that it is best to leave it to private enterprise; and, in this general proposition, the committee concur; but it is urged by others, that there are some things in which the public are better served through the machinery of Government than through private enterprise; that by co-operation of the whole people, greater uniformity, efficacy and cheapness can be secured than through any private organization; that, with large corporations, there is a tendency toward monopoly, to the detriment of the public; and it is alleged that, in the latter respect, this has been strikingly exemplified in the manner our present telegraphic system has been managed.

The following statement, in regard to the Western Union Telegraph Company — the organization controlling nine-tenths of the present telegraph mileage of the United States — has been submitted to this committee, and is believed to be substantially correct:

“Seventeen years ago, the Western Union company had a capital of \$385,700. Eight years later, the stock had expanded to \$22,000,000! of which \$3,322,000 was issued in the purchase of competing lines, while nearly \$18,000,000 was issued in stock dividends. What actual value this enormous dilution may be supposed to have represented, can be judged from the fact that the stock was not then worth twenty-five cents on the dollar. This, however, was the first attempt to spread out an increased paper capital, which should hereafter afford a plausible pretext for imposing on the public an oppressive tariff of charges. Its next step was the purchase of the United States company, for which purpose \$7,216,300 of stock was issued, an amount alleged to be five times the true value of the property. Next came the absorption of the American Telegraph Company. The stock of this company was almost as much inflated as that of the Western Union, and amounted to \$3,833,100; and yet \$11,833,100 of Western Union stock was issued to secure possession of that line.

“The gross earnings of the company, as reported for 1874,

were \$9,530,749, and the profits \$3,076,660—the latter sum equivalent to over seven per cent. upon their greatly inflated obligations.”

It is urged by the advocates of a postal telegraph, that the public have no guarantee against the still further inflation of capital stocks, as the use of the telegraph increases and demonstrates the possibility of earning larger dividends than the public are likely to view with equanimity. It is said that the invention of the quadruplex instrument, by which two messages can be sent in each direction on one wire at the same instant, together with the improvement known as the automatic system, greatly reduces the cost of telegraphy; and it is urged that with electricity, as with other inventions and discoveries of great public utility, that after the inventors and possessors thereof have been sufficiently rewarded, that the claims of the public should be considered; and it is claimed that as the public, through Government, paid for the construction and operation of the first telegraph line, it has peculiar and unusual claims in this instance.

It is further urged that the transmission of intelligence is peculiarly a function of Government, and that if the use of electricity had been known when our postal system was organized, it would have probably been included in that system.

The postal telegraph, in other countries, has been tried and found completely successful.

In the opinion of your committee, much weight should be attached to these views; and, while we highly respect the opinions of those who object to the Government doing anything which can be done by individuals, we believe that there are cases where, as before stated, it is for the public interest that it should be done through the machinery of Government. We do not believe that anyone would willingly return to the old system of a different kind of currency in each State, nor that our postal service would be as well administered in private hands.

Your committee are constrained to believe that the telegraph is simply an improved method of transmitting information, and is so nearly allied to the postal service in character, it should be made a part of that service. The Judiciary Committee of the House of Representatives submitted, at the last session of Congress, a report favorable to the establishment of a postal telegraph, and as the resolutions submitted provide for a full and just com-

pensation to the owners of the present telegraphic system, we report them back to this Board with our approval.

[Signed by the Committee.]

Mr. THURBER, of New York: In behalf of the committee I desire to add a few words to the report that has just been read, and in support of the resolutions recommended by it. The telegraph in connection with the postal service in foreign countries has been an experiment, but it is so no longer; it has become a fixed institution, and the public have a much cheaper and more satisfactory service than when in private hands. The number of messages has largely increased, and what, at first, was an unremunerative tariff, now affords a handsome revenue. The principal objection advanced by its opponents in this country is, that it will increase the patronage in the hands of the Government, and probably lead to corruption. There are now 35,000 post-offices in the United States, with an estimated force of employees amounting to 49,000. There are about 6,000 telegraph offices, employing about 15,000 persons, including men, women and boys. It is admitted that our postal service is satisfactory, that it is thoroughly organized, and that defalcations and losses are less frequent in this department than in almost any other branch of the Government service. Now, it could not be productive of a great deal more corruption if this function was added to the already complete postal organization. It has its central and branch offices in every city and village in the country; its office rent paid for, and in many cases the postmaster or postmistress would be the operator of the telegraph, thus consolidating duties and reducing the number of persons employed. The service could also be greatly extended, thus affording telegraphic facilities to many places where it is now denied. The transmission of intelligence, whether by mail or telegraph, is peculiarly a function of Government; and yet, with the machinery, to a great extent, already provided, gentlemen hesitate under the hue and cry of "corruption." If the organization be productive of so much corruption, why not disband our postal service and leave that to private enterprise? I believe, Mr. PRESIDENT, that such arguments are raised by persons who are interested in keeping our telegraph system on its present basis for their own personal gain, and that they will not always be able to control the judgment of thinking men by their well-worn cry of "corruption." I trust, sir, that the report may be adopted.

Mr. GROSVENOR, of St. Louis, and Mr. MERWIN, of New York, both addressed the Board in opposition to the conclusions of the report. The opposition of the former gentleman being based largely on the tendency to a centralization of power and patronage in the hands of the General Government, and the liability of an abuse by Government officials of the privileges of information of a private character that would result from their position as custodians of private correspondence. The latter based his objections largely upon the fact that, as now performed, the telegraphic service is satisfactorily and promptly conducted.

[It is regretted that full reports of these gentlemen's remarks were not obtained, owing to the temporary and necessary absence of the official reporter of the Board.—  
SEC'Y.]

Mr. ALLEN, of Philadelphia: We have had this subject before us for half-a-dozen years, and I have always been opposed to any interference on the part of the Government with the telegraph system; but from some of the names attached to that report, I would like to hear it read again. I think the name of Mr. HOLTON, of Milwaukee, whom I have met in this Board for a good many years, is attached to the report, and because I have very great respect for anything he would sign, I should like to hear it again.

The report and resolutions were again read.

Mr. STARK, of New York: There are many objections, I think, to these resolutions, but our time this morning is precious, and, for that reason I will not detain you with a discussion on them, and therefore I move that the whole question be indefinitely postponed.

Mr. EGGLESTON, of Cincinnati: I suppose that will be the disposition of the resolution, but before they are indefinitely postponed I want to make a few remarks in reply to my distinguished friend from St. Louis. I have always been opposed to this

measure, ever since it was introduced in Congress, until recently I have come into possession of facts, in regard to improvements in telegraphy, which convince me that now is the time for the merchants of this country to strike, if they expect to gain anything by these great improvements. My friend from St. Louis tells us he is afraid of a centralized government, a centralizing power, and that we should not always go to the Government with every little complaint. Where should we go? If we have such great and monstrous monopolies in the country that there is no other power to break them down, I ask where shall we go, unless to our General Government? Why, if these monopolies are to take possession of all our railways and fix the rate of transportation, and, by the stroke of a pen, increase it to such an extent that it almost cripples the industry of the country, are we to say that the centralized power has no right to take hold of it? Then, again, when you come to this other great monopoly that proposes to control the lightning of the country, gentlemen tell us, "O no; you must not give too much power to the General Government; you must not permit it to control it; this great monopoly must carry it on, and we must submit." Why, I expect to see the day when the merchants of this beautiful city, and the merchants of the Queen City of the West, and of St. Louis and Chicago, and of all the cities of this country, will be doing their business by telegraph. One cent a word is all it costs, and if you let our Government take hold of it, and we will support it in the right spirit, it would not be four years until the rate would be reduced to one cent a word. I hope this question will continue to be agitated until something is done to break down this great monopoly.

Mr. BAYARD, of Baltimore: I rise for information. The gentleman from New York (Mr. THURBER) has introduced, as an argument in favor of the adoption of this report, that the postal telegraph has been a success in other countries. The gentleman from Ohio prophesies that if this system is adopted within four years we shall have the cost of telegraphing down to one cent a word. Now, sir, if correctly informed, I understand that the postal telegraph arrangement has been a financial failure. This is a subject on which I do not profess to be very accurately informed. I take my impression from the public prints, but I have seen a statement of late in the public papers that the cost

of running that department to the British Government has proven it a financial failure, and brought it into debt. I do not think it likely, therefore, that under the peculiar disadvantages of our extended territory, we should be able to do any better, if as well, as in that populous country, and I do not therefore see that there is any force in the prophecy of my friend from Ohio; that we are going to have the rates down so low. If I am not correct, I beg to be corrected.

Mr. THURBER: I would state in answer to Mr. BAYARD, that the first year the expenses did not make it remunerative, but that the patronage very largely increased the next year, and it is now not only on a self-sustaining basis, but yields a revenue.

Mr. HEALD, of Wilmington: I hope this subject will not be indefinitely postponed. I understand from my friend Mr. THURBER that Mr. OAKLAND, from Ohio, thoroughly agrees with the report. I am sorry we have not his eloquence here to match with the eloquence of some gentlemen on the other side, my friend from St. Louis especially. I am sorry it was called so early this morning. I was detained at home by business, but expected to be here in time to have heard all of the remarks on the report, and I regret that I was not. I feel intense anxiety on the subject.

The postal telegraph system, connected with the postoffice system, is as sure to be established in this country as the sun rises. I feel that I appear at a great disadvantage before this Board. It is composed of gentlemen from every section of the Union, of eminent and tried ability and experience; and being a younger man than many of you, I feel really impressed. I want to say, however, in regard to this question a very few words. I believe the time has come for action, and do not dread, as some gentlemen seem to do, the great power it will give the United States. Our mail facilities have grown from year to year. They will still grow. England, which has been alluded to by my friend Mr. BAYARD, had a fair trial of the postoffice system, and Curran Hill contested that matter in England some forty years ago. He entered into it, and carried it through, against the prejudices and the conservative principles of the English people, and succeeded in his efforts to establish a two-cent or penny postage. I want to see the postal telegraph system and the postoffice system combined in this country. I expect to see it, and hope to

live to see it, and that soon. I want to see uniform postal telegraph rates all over the United States, at ten cents a message. I want to see, and I expect to see, a uniform penny postage for letters all over this country, or what we call two cents. I want to see the act passed by the last Congress — raising postage rates, which was disgraceful — changed and obliterated immediately, at the next session of Congress; and I think members who voted for that measure will have cause to regret it. I want to see the whole thing reformed. I do want this National Board of Trade to be bold in this matter.

We are conservative — possibly too much so. Is there not a time when retreat is better than a bad advance? I think so in this case. I find this thing must be hurried through, but I do hope it will not be crushed out. Gentlemen, I tell you, you cannot crush it out. It will come up again and again. And let me say, I believe the National Board of Trade cannot do itself more credit to-day, than to take decided ground in favor of a cheap postal telegraphic system, combined with the postoffice system. They cannot do a more honest and honorable thing than to so put themselves on record.

Gentlemen, the day is coming when it will be popular to be honest; when it will be popular for the Congress of the United States to be honest. I tell you there is a sentiment growing over this country in favor of honesty, and I think there is a great reformation going on; and I have no fears for the Congress of the United States. It is possible to open the mails to-day; that may happen. I know we run that danger. Are we going to stop progress in a matter of this kind simply because we think the mails may be tampered with, or the telegraph may be tampered with? Not a bit of it! I hope you will not try to crush this thing out. I say again, you cannot. Now mark my prediction!

Mr. HENRY, of New York: It has been said here, on the other side, that this will be a monopoly of power, if in the hands of the General Government. Now, the committee had that fully under consideration, and it was to prevent monopolies that we recommended this unanimously. I will say, in regard to Mr. HOLTON, that he was very enthusiastic in support of this report. The hour of meeting this morning being changed from ten to nine o'clock is perhaps the reason Mr. HOLTON is not here. He has prepared himself, and I hope he may come in before the debate is

closed. It is a fact that it has been successful in the United Kingdom, in France, in Belgium, in Switzerland, and probably other countries; and it is a fact that it would be successful here; and it is a fact that it will be adopted by Congress. I want we should put ourselves upon record for some of these views, so that we will have a little influence,—not do a little to-day and a little to-morrow, but be emphatic on some of these matters.

Mr. McCULLOCH, of New York: I simply want to submit one practical suggestion in regard to this subject. It is not necessary in a body of this kind to allude to the importance of the telegraph as a commercial medium, or to the fact that it is absolutely necessary that it should be prompt, and accurate; and that it should be held responsible for all errors committed by it, and which entail at times heavy losses upon those using the telegraph. I presume no gentleman would dispute the fact that the Government has been for years guarding itself in every possible way against prosecutions for errors committed by its officers. When acting in good faith, they hold, to a great extent, that the Government is not responsible; and you cannot hold the Government directly responsible. You must reach it through the medium of its officers. Any one who has had experience with the revenue department, will know that four-fifths of the merchants in this country would rather submit to a loss than attempt to recover from the Government. Now, with these great monopolies that are talked of, we have a prompt and sufficient remedy; we have proper reclamation for a wrong committed by them or their agents. We have an immediate and a prompt remedy, and, as commercial men, we must have it; and that remedy we cannot have if this business is in the hands of Government officials.

Mr. POTTER, of Davenport: I had not contemplated saying anything on this subject; nor have I, heretofore, even felt convinced in my own mind that I wanted this matter taken up by the Government; but I think I have seen, since I have been here, and I have heard, reasons which convince me that the time is coming, if it has not already come, when the telegraph system, whether it embraces the whole of that system or not, will be connected with the postal system of the country. I believe, sir, the interests of commerce and business, and the welfare of the people, demand it. If there is no other way to protect us against an overshadowing monopoly, this course ought to be adopted. I rise,

however, more to protest against the remark of the gentleman from St. Louis, about putting this matter into the hands of the Government, on account of its centralizing and corrupting influence, which I regard largely as a bugbear — more to protest against that than for any other reason. I believe we ought to go to the Government for protection against monopoly. Government has created monopolies, and Government must protect society against them.

The history of this telegraph business, since it has been in existence, is, that every attempt at competition has been bought off, or consolidated with the great parent monopoly. From the inception of the telegraph, every attempt at opposition has been bought off. Now, is this to go on indefinitely? They have a capital to-day, I believe, of \$50,000,000, and they are paying interest on \$50,000,000, and have never yet invested \$10,000,000. A hundred years, or even fifty years, from now, what will be the nature and extent of that telegraph system, if permitted to go on as it has hitherto? I think it is time that something was done — some step taken to check it; and I think this body is a proper body to make representations on the subject.

MR. HINCKEN, of New York: There is a great cry of monopoly, monopoly! I do not know that the Western Union Telegraph Company is a monopoly. There is enough spirit, on the part of the mercantile community, not to fall into the hands of a great monopoly. The merchants of New York can regulate their own affairs. I don't see that Government should have anything to do with this business. We can build an opposition line to this great monopoly, as you call it. In fact, opposition lines are in existence now; and let the merchants of this country turn their business to the opposition line, and there is a remedy against what you complain of. Who can think there is any pleasure in dealing with a government official, instead of with a company that is anxious to serve you day and night? If you want business done promptly, you are told you can wait your turn, and you may kick your heels in the meantime; your turn will come in an hour. But you go to a company that is anxious to get your business, and you get attended to at once. I think the subject should be indefinitely postponed, and I call the previous question.

The previous question was ordered, by a vote of 24 to 16.

The PRESIDENT: The previous question is ordered. It will be upon the indefinite postponement of the resolution.

The subject was indefinitely postponed, on a division, by a vote of 21 to 17.

Mr. BAYARD, of Baltimore: If it be in order, I will ask leave to submit a report from the Committee on Bills of Lading, as follows:

WHEREAS, Your Committee are of the opinion that abuses have grown up by the incorporation in bills of lading, and railroad receipts, of conditions whereby the responsibilities under the common law of carriers are sought to be evaded; therefore,

*Resolved*, That the Executive Council of the National Board of Trade be requested to recommend to its various constituent bodies concerted action.

*First*—In opposition to any bill of lading, or railroad receipts whatever, containing or assuming to impose conditions other than recognized as in force under the common law, as defined by judicial decisions.

*Second*—That when more than one negotiable bill of lading is issued, the first shall be stamped or printed "Original;" the second, "Duplicate;" the third, if any be issued, "Triplicate;" the fourth, if any be issued, "Quadruplicate;" while the bill for the shipper, if issued, or for the captain, if issued, shall be stamped or printed "Not negotiable."

*Third*—That carriers issuing such bills of lading shall engage not to deliver the merchandise designated, except on surrender of the original bill of lading, or on the duplicate, under proper restrictions, in cases of loss or destruction of the original.

*Resolved*, That the Board reaffirms its declaration that all inland carriers should be required to deliver the quantity, by weight, of bulk grain shipped.

*Resolved*, That the Executive Council be requested to consider and report to the National Board of Trade, at its next meeting, what, if any, legislation, whether State or National, is needed, or can be secured, to accomplish the purpose of defining the rights and duties of all carriers, whether marine or inland, and of restricting the terms and conditions of all bills of lading and railroad receipts, in accordance with the principles of the common law.

*Resolved*, That the Executive Council be authorized, if in its judgment expedient, to submit to Congress, at its next session, such recommendations as may be advisable to promote the object of these resolutions.

[Signed by the Committee.]

I have no remarks to make, Mr. PRESIDENT. I submit it to the Board without comment.

Mr. MEISSNER, of New York, moved to suspend the order of business, for the purpose of considering the report of the committee.

Agreed to.

The PRESIDENT: The resolutions are before the Board.

Mr. MEISSNER: This question of bills of lading was brought up at Baltimore. It was recommended that there should be a memorial sent to Congress, or the legislatures of the different States, in order to carry out the plans we have in view. I think it doubtful whether Congress, or the legislatures of the different States, can or will enter into these matters. We thought it best to refer the subject to the Executive Council, and request the different constituent bodies of the National Board of Trade to follow suit to what has been done by the New York Exchange. I hold in my hand a set of bills of lading, as they have been perfected during the last winter. It was necessary to make new bills of lading, and we came to the conclusion that it would be well to incorporate in them the matter spoken of at Baltimore, viz.: that they shall be marked "original," "duplicate," and "triplicate," and "copy" marked as "not negotiable." Another very important point in them is, that the original or duplicate must be surrendered when the goods are being delivered. I state here again, what you all know, that, in an ordinary bill of lading, there is no security whatever to those who advance money on them. Since we met at Baltimore, a case has come to my attention, where a friend of mine advanced on corn to a member of our Exchange, and received the bill of lading. The property in due time arrived in New York. A member of our Exchange appropriated the corn to his own use, and, before my friend who had advanced money on it was aware of it, it had been shipped out of the country. Now, if that clause had been in the bill of lading, my friend would have been perfectly secure. In consequence of this insecurity, monied men and banks will not loan money on bills of lading. It is especially for the interest of the inland commerce of this country, that this clause should be incorporated.

Our Exchange has sent us on thirty sets, and we will give them to the members, or to the Secretary of the Board to be distributed, whenever our action is communicated to the different bodies.

The resolutions were then submitted to a vote, and unanimously agreed to.

Mr. BAYARD: I rise to a question, perhaps of privilege, certainly one of courtesy. I think it would be appropriate that a copy of this report should be, by some action of this body, transmitted to the Merchants' Association of Great Britain, in response to their invitation to consider this subject, and I hope that some gentleman will make a motion empowering the Chairman to transmit a copy in the name of the National Board of Trade as a reciprocal courtesy.

Mr. ALLEN, of Philadelphia: I think that the Board should pause before they go any further in this matter. Now, I voted for these resolutions, because they went to the Executive Council of the National Board, where they can be properly considered. But there are two sides to every question, and there are two to this. Ship-owners have some rights as well as the shipper.

The PRESIDENT: If it is desired to reopen the debate on the subject, some one must move for a reconsideration.

Mr. ALLEN: I will only take half a moment. I understand Mr. BAYARD wants to make a new question; he wants something telegraphed to Great Britain, or to have it go forth as the expression of opinion of this Board to another board.

Mr. BAYARD: It seems to me, knowing that the resolution under which the committee was appointed to consider this subject, had its inception in the invitation which was presented to us by the Merchants' Association of Great Britain, to consider and to agitate the subject, that there is no objection to informing these gentlemen — simply as a matter of courtesy — of what has been done in the matter of its consideration and reference. It seems to me there is no important question, or point, involved which would preclude that act of courtesy; although, if it does not meet with the views of this body, I should be happy to withdraw the suggestion. It is merely a question, as it seems to me, of courtesy.

The PRESIDENT: There is no motion before the Board. Mr. BAYARD suggested that such a motion would be proper.

Mr. HINCKEN, of New York: I move, for the purpose of showing we are acting with these bodies of Great Britain, that we send a response, as suggested. It shows we are moving in the matter.

The PRESIDENT: Mr. HINCKEN moves, as I understand it, that the rules be suspended for the purpose of considering a motion to transmit a copy of the resolutions to the Merchants' Exchange, of London.

The motions to suspend the rules and to adopt the resolution were unanimously agreed to.

Mr. PARKER, of New York: I would ask a suspension of the rules for a matter which, I think, will take but little time to consider, and which will probably pass without debate. I ask for a suspension of the rules to enable me to offer a resolution, as follows:

WHEREAS, The laws of the United States attach a severe penalty to parties making erroneous manifests of their cargoes; and

WHEREAS, It is well known that shippers often clear only approximate amounts of their goods, thereby rendering the statistics of our exports quite imperfect; therefore,

*Resolved*, That the National Board of Trade recommend that Congress adopt measures to enforce the laws now in existence in order that a correct manifest may be obtained, and that the same be promptly furnished to the press and commercial exchanges for the benefit of business men.

The PRESIDENT: The question will be on suspending the rules for the purpose of introducing this resolution.

The motion to suspend rules for the introduction of the resolution was agreed to.

Mr. COVINGTON, of Cincinnati: I now move the suspension of the rules so as to proceed to the consideration of the resolution.

The motion was adopted.

The PRESIDENT: The resolution is before the Board.

Mr. COVINGTON: I would like to see that resolution promptly adopted by this Board. We can see its force. We have at the

West some rivalry between steamboat lines to make great displays of cargo, and without any evil intent, perhaps, they either magnify or reduce the amount of their cargoes, as shown by their manifests, to suit their own ideas. That leads to very great injury in many instances. For instance, a man proposes to ship to New Orleans a large quantity of pork; if he finds there are heavy shipments on the way, he will be very careful about sending it then. We have a system of publishing the exports. They are collected by our Chamber of Commerce, and published upon the day after the departure of the steamer; and in two days after that publication, the New Orleans commission merchants receive the information of what is coming by the boat. If it is inaccurate it of course may be to his injury; and the Cincinnati Chamber of Commerce has had to take the matter up, and take action, by threatening, in one or two cases, though they never have expelled the owner of a boat from the Chamber yet, but they found it necessary to adopt such rules as would break up that practice. A commercial body cannot so thoroughly break up the practice as to have the law to enforce against it. I would be very glad to see measures adopted that would give those interested to understand that the practice must be stopped. I move the adoption of the preamble and resolution.

The motion to adopt was unanimously agreed to.

Mr. SMITH, of Milwaukee: I now move that the special order be proceeded with.

The PRESIDENT: The order of the day will be proceeded with. It is the Reciprocity question, and it is now before the Board. The proposition upon the programme which comes from the Board of Trade of Chicago will be read.

The Secretary read proposition No. 16, as follows:

*Resolved*, That Congress be memorialized and urged to authorize the early appointment, by the President of the United States, of a Commission of not less than five (5) merchants and business men, familiar with the subject, to confer, on the part of the United States, with a like Commission on the part of the Dominion of Canada, on the subject of a treaty for reciprocal trade and commercial relations between the United States and the Dominion of Canada; said joint Commission to be authorized, on the part of their respective Governments, to suggest and recommend the details of provisions for such treaty, subject to the concurrence of the respective Governments of the United States, the Dominion of Canada and of Great Britain.

Mr. McCREA, of Chicago: The resolution is so full and so broad, it would seem that little more need be said, at this time, on the subject. I believe if Congress, acting on the idea suggested in the resolution, will authorize the President to appoint a commission, composed of five business men that are familiar with the trade of the two nations, acting in connection with a similar commission from Canada or British North America, that that commission will bring in a treaty which, for its fairness, will commend itself to both nations. And, I have no doubt, Mr. PRESIDENT, that a treaty of that character can be made beneficial to both countries. There are many advantages which might be derived from it, and there are no substantial benefits which would be lost. New England, probably, would secure the right to the Canadian fisheries and cheap coal from Nova Scotia. The West, and the Northwest, would secure increased transportation facilities, and, what is more to us at present, access to those vast forests of pine and hardwood that lie on the north and east shores of Lake Huron, which we so much need at the present time in the settlement of our prairies, and the reduction of the ores of Lake Superior and other mining regions. This would be but a few of the substantial results that must come from a treaty of that kind, and being committed to such hands as is contemplated by this resolution, will commend itself to the good judgment and honest purpose of the people of both countries. In return for the advantages to us, we would offer to Canada—a friendly nation of the same language and religion, connected with us by very intimate commercial and social relations—a fair equivalent in many ways. I trust that this proposition of appointing this commission will commend itself to the good judgment of this Board. It is certainly one of the fairest propositions that has ever been offered for the solution of this question. I trust that gentlemen will see the propriety of acting on it promptly, and so disposing of the question in a way that will not permit prejudice or jealousy to enter into its consideration. It is a broad national question, and I hope it will be agreed to.

The PRESIDENT: I would suggest that our friend from the Dominion is invited to express his views on this subject.

Mr. PATTERSON, of Montreal: *Mr. President and Gentlemen of the National Board of Trade*, I did not expect to say anything on this subject. I will, however, state very briefly that the Do-

minion is to-day as strong as ever for a reciprocity treaty between the United States and Canada. They took that position years ago, and they have not gone back on it. They want a treaty that will be simple. At the meeting they held in St. John's, where your Board was represented by a number of delegates whom I should like to see here, but only see one, my friend from Milwaukee. The feeling was that the late treaty was too large, and was at the same time very incomplete. The expression of our people was that there had been an attempt, somehow or other, to make it something better than the old treaty. And that the concocters of it had added a number of manufactured articles, and then, in the provision for the exchange of those manufactured articles, it was very incomplete, and very decidedly unsatisfactory. The Board discussed that question generally, and with the best of feeling. A committee consisting of eight or ten men, with a committee of thirteen men from various parts of the Dominion was selected, and the whole question was submitted to them under a resolution. The first part of the resolution was that this Board reiterates its previously expressed opinion in favor of reciprocal trade with the United States, and then went on to state that the last treaty, while it granted some privileges to Canada, and while it was desirable that it should be indorsed, as far as natural products were concerned, yet that there were some other matters that required consideration, and the question was referred to this committee, with power to consider it and report to the Government such points as they thought were defects in the treaty. They were to report such defects in the treaty as appeared to them to require exposition or explanation of the Government. You will observe that this reciprocal matter is mutual, and that has been our idea all along. I went into your committee room and was told, "Oh! you can injure us! you can injure us!" But we have no such feeling, and we come back to the old feeling and desire to have *real* reciprocity sooner or later. Without taking much of your time, I will simply state that the committee formulated eight objections to the treaty. Among them was an objection to the point which pledged Canada to enlarge her canals, and to deepen the river St. Lawrence before the 1st of January, 1880; and the point made with reference to that was, that Canada had already pledged herself, and there was no need of any further pledge. It looked as though this canal was thrown in as a make-weight. Canada has taken as large, if not larger ground,

than she took a year ago. She is now pledged to enlarge her canals to a depth of twelve feet, and the inlets and outlets are to be enlarged to a depth of fourteen feet. We all feel that the canal system of Canada will be a fourteen feet deep canal. But in looking at this canal project we feel that while it was put in simply as a make-weight, yet that this enlargement of the Welland canal will be of vast advantage to the United States. It has been estimated that every six inches of difference in depth of the Welland canal over the St. Lawrence canal would be a great annual advantage to the people of the United States. I don't know how far that is true, but we can easily see that instead of the enlargement of the Welland canal cutting off all the trade of the United States, as my friend indicated the other day, it is no such thing. While we mean to enlarge our canals, and while we are enlarging the Welland canal, we do not intend to block up our treaty by a pledge that Canada must crowd her work in a way that will enable the United States to be the first to derive the advantages from it. Another point is in reference to natural products; and still another, the description of certain manufactured goods, that are included in one of the schedules, is very incomplete.

Without going into these matters, I have simply to say that our Dominion Board — while we would rather that the treaty had been amended — we did not think that the nation needs any *such* reciprocal treaty. We thought that, had the arrangement been confined in the first place simply to the natural productions of the two countries on the basis of the old treaty, and then from time to time added to, in reference to manufactured goods as was found necessary — that a treaty of reciprocity on such a basis would have been acceptable to both countries. It would have been eminently acceptable to Canada, and we thought it would be acceptable to the United States. The idea involved in the resolution now before this Board is a good one, and by acting upon it the difficulties that have been created by leaving this question in the hands of professional negotiators will be entirely obviated. There will be no such objection in anything you will propose as there has been in several treaties that have been proposed; because, if the merchants of Canada and of the United States get together and look at this question, as one business man does when making a contract with another, there would be no objection to it, and it would, I think, meet with general acceptance. Suppose that instead of waiting to press the matter

upon Congress, you press it directly upon the Executive, and ask the Executive Government to appoint such a commission. Time would be saved, and I think there is no improbability in the suggestion that such a thing might be done within a year; and what a nice thing it would be if we all could gather together in the celebration of 1876 and say that we had then, also, the advantages of reciprocal trade. I think it is a good suggestion.

There is one thing I would like to say to the Board. I have always enjoyed the meetings of the National Board of Trade very much. If I had not, I should not be here to attend it. I think others in Canada enjoy it as much as I do, although they have been unable to be present, on account of their business arrangements. I have listened with a great deal of pleasure to your debates, and several of the questions that have been discussed by you at this session have also had the consideration, and will have the consideration, of the Dominion Board. One point that had the consideration of our Dominion Board of Trade at its last session was the improvement of navigation,—that is, the rendering of it more safe. We all know how many wrecks there are of great vessels on the upper lakes, and I am told by navigators that three-fourths of them occur in foggy weather, and on points where there are no light-houses; and a representation has been made to the Government by the Dominion Board, requesting that some international arrangement be made for the safety of navigation on the upper lakes. Our Board has also taken certain steps in reference to the establishment of a department of commerce. They have been inspired to do this by information received from Europe and from the United States, and they have formulated a resolution and placed it in the hands of the Government; and it is hoped in that way such radical change will be made as will prevent the possibility of making any such mistakes as have been made in the past, in regard to commercial matters. Then, again, another matter has engaged our attention,—the establishment of tribunals of commerce, such as are now established in New York. The question has received a great deal of attention in England and in France, and it has been thought that anything that will reduce the expense incident to ordinary litigation would be beneficial to mercantile men. Then, again, as showing the importance of such Boards as this, just before I left home I received a communication from Paris, indicating that it is the intention

of the Paris Chamber of Commerce to convene a meeting of National Boards, in Paris, for the 15th day of July next. Had it been earlier, we would have been able to send a delegate there; and the question comes up to my mind; would it not be well, hereafter, to send delegations just the same as to the National Board? I would like to say one word about Montreal. We are a little progressive there, with some steadiness. There is much of the feeling of commercial depression that is felt in the United States, and throughout the world, in fact; but we hope to enlarge our canal navigation so that we will receive all the benefits of enlarged navigation. It has been suggested, also, that we enlarge our channel, so that vessels drawing twenty-five feet of water shall be able to go down to the ocean. I have, also, to say that we having enjoyed your hospitality on various occasions; I communicate to you the desire of the Executive Council of our Board, that you will be pleased to send a delegation to our annual meeting, to be held on the first Tuesday of January, 1876, at Ottawa, and I can insure you a warm welcome, though we cannot do anything up to the handle as you do here. I have experienced your hospitality, and I was impressed deeply with it in Boston, in St. Louis, and in Chicago; but Philadelphia, the chief city in the Keystone State, has capped the climax in the hospitality it has offered; and, when I go back home, my heart will go back to the City of Brotherly Love, and I do hope that at our meeting in January next we will be able to welcome a large delegation from the United States and from Philadelphia.

Mr. BUZBY, of Philadelphia: I take great pleasure in seconding the proposition that has been read. It was my privilege last year to be present at the meeting of the Dominion Board of Trade, at Ottawa, as a delegate of the National Board to that body, and I desire here to say that I am able to repeat all the remarks that the delegate has made in reference to the hospitable treatment received by him. I am able to repeat it in my own behalf, and in behalf of my colleagues from every portion of the United States that were present on that occasion. The body, I think, was composed of seventy gentlemen, from all parts of the British Dominion on this continent, various subjects were discussed, and this one of reciprocity received very particular attention, and a very strong desire was manifested on the part of these gentlemen that the proposition should receive a patient and kindly hearing from the United States. I must say that my

experience in Canada did warm my heart toward those people. I saw assembled in that Board seventy men of remarkable ability,—every gentleman having something to say, and knowing what to say, and so much like ourselves, that, as I looked around upon the faces before me, I could hardly imagine that we were other than one people, and that we had other than a common interest. Now, sir, without detaining you to enter into a discussion upon the proposition before us, I take great pleasure in hearing that the interests of commerce are steadily progressing among these brethren whose interests are so nearly like our own. Their commercial wants are so near like ours, that if you, gentlemen, should go over the border you would hear almost the same propositions discussed, and in the same spirit.

Mr. WETHERELL, of Philadelphia: I think every delegate from the Philadelphia Board must feel thankful for the kind expressions that have been given, and every one must be satisfied that these expressions have come from the heart. I believe that the settlement of this very much vexed question, if left to a commission of five of the National Board of Trade and five of the Dominion Board of Trade of Canada, each knowing the wants of the other, and each bent on having a treaty which will be pure and simple, will be brought to a proper solution. I hope I may be pardoned for being frank in what I have to say in regard to the resolution before us; they are not the first resolutions of like character that we have had before us. Ever since we met at St. Louis, possibly before that, we have had like resolutions. And I doubt very much whether the result of those resolutions has been in accord with either the wishes of this body or of the Dominion Board of Trade. Now, should we not do something more? When we simply ask that a commission be appointed of business people from this country, and from Canada, to settle this question, and we do nothing more, I think harm may result from such action. It gives out to the world that we indorse this proposition for a treaty to its full extent, and advantage has been taken of that circumstance. We saw it in the treaty which was presented at Washington last winter. I know not who framed that treaty. I am sure that no one connected with the National Board of Trade had anything to do with it. I may state that I do not believe the National Board of Trade would indorse that treaty; and yet, to enforce its passage, it was urged that the National Board of Trade did favor something of the sort; and

harm resulted from our action, which was as broad and full as the action we are about to take to-day. No question can be more vexed and troublesome than this; none requires more prudence, more thought, and more business ability to be brought to bear in its adjustment; and it seems to me, that to pass a resolution of this sort, which we can all cheerfully vote for, and let the matter rest there, is making a great mistake, and will be very damaging to the cause. We all know very well what we should like to see embraced in the settlement of this question; but it seems to be hemmed about with so much difficulty, and so much trouble, that I suppose it is almost useless for us to consider it in detail; and yet the nearer we approach to it, the better, in my opinion, will be the result. We have talked this subject over with our brethren from Canada, and we understand pretty well what we want. It seems to me there is great merit in the suggestion of the delegate from the Dominion Board, that we do not allow this resolution to fall without weight, as it will if the Executive Council simply present the resolutions to Congress, and then take no further action in regard to the matter. We ought to follow up the matter, and see that the proper commission is selected—one that will guard and protect our rights. And the Dominion Board should also see that they have a fair and suitable commission; so that each, while guarding and protecting their respective rights, will appreciate that it is a matter of compromise, and both should endeavor to make the best and fairest compromise possible. This question can be settled in no other way. I do hope, in the face of the past, and in view of the action of last winter, in bringing forward that treaty, which, if adopted, would have robbed us of one-half the dues of our custom-house, that we shall do something more than merely pass this resolution and let it rest there. It should be given into hands that are skillful, that are experienced, that are prudent. I cheerfully indorse the remarks of Mr. PATTERSON, and hope that some such suggestion as he has made will be adopted.

Mr. HAYES, of Detroit: I will try to be brief. Some ten years ago, it may be remembered by the members of this Board, that I pointed out some obstacles in the way of the working of the treaty we had in force at that time, and by doing so, the people of Canada, as well as this country, got the impression that I was unfavorable to a treaty with Canada. Such is not the case. I am in favor of a proper treaty for commerce between this country and

Canada, and I believe such a one would be of advantage to both, and that the withholding of a treaty with a view of their becoming a part of our country, is one of the grossest mistakes that ever was made. While we are celebrating our centennial of one hundred years, the people on the other side, for a thousand years, have flung their banner to the breeze. And while we are celebrating our centennial, they have a right to celebrate a tenth centennial. When we come to consider a treaty between the Governments, we come down to pecuniary considerations. Now, when gentlemen with all the cordiality and everything of that kind, which we wish to have between each other, propose that Canada shall bring her lumber into our market directly in competition with our own, you attack Michigan that has thousands of millions of feet of lumber, that wants a market in this country; and you find difficulties that we have to meet in the adjustment of a treaty; therefore we want, when we do make a treaty, that we shall be getting some equivalent for what we give; then we want a commission appointed that shall recognize the difference between the goods that are manufactured in this country, that are imported to Canada, and the goods that are simply imported from some foreign country, and passed through this country, without paying the duty here, but which are entered on that side, as being from the United States. It is true that they come from the United States, but not a single day's labor in their production has ever been placed upon them in the United States. Those are considerations I want our friends from Canada to understand, and consider; and, in the adoption of this resolution, I should like to see some one appointed on the committee, or some guaranty given that the national products of the two countries shall be separated so as to know the precise condition of our trade.

Mr. BOYNTON, of New York: Something has been said with regard to previous resolutions that have passed this body. In Chicago, a committee reported a series of resolutions, to prepare which they had the assistance of a committee of our Canadian friends. The resolution adopted proposed that the Executive Council should prepare a bill, having in view a commission who should act somewhat as a State department; but no action seems to have been taken by the Executive Council upon this, and for reasons which they have stated in their report, which seem to be very good and satisfactory reasons. In view of the omission

of action upon those resolutions by the Executive Council, it seems to me that a resolution, such as is now before us, is highly proper, as it recalls to us, and to the Council, the important subject. I would, therefore, move the previous question upon this resolution.

The motion ordering the previous question was put and carried, and then the resolution was adopted.

Mr. HENRY, of New York: I wish to offer the following resolution:

*Resolved*, That the President of the National Board of Trade be requested to appoint a committee of five to attend the meeting of the Canadian Board of Trade.

The resolution, being one of courtesy, was adopted.

Mr. HEALD, of Wilmington: *Mr. President*, I desire to ask the courtesy of this Board to permit me to offer some very short resolutions on a subject that I am sorry was not introduced previously. I will then move their reference to the consideration of the Executive council. I would ask a suspension of the rules, and I think I will agree not to take five minutes, probably not two. You were saved from a considerable speech because I did not arrive in time this morning. I desire to submit the following:

*Resolved*, That this National Board of Trade recognizes the growing importance to the people of the United States of fostering more intimate commercial relations with the Governments of Central and South America.

*Resolved*, That the consideration of this subject be referred to the Executive Council, with a request to report upon it at the next meeting of this Board.

A motion to suspend the rules to introduce the resolution was agreed to.

Mr. HEALD: I want to state that this subject was brought before the Wilmington Board of Trade, through an address by a very intelligent gentleman of this city, last winter or spring, and I think some Philadelphians were invited there to hear him. I may say, in advance, that our sister city of Baltimore, which is equally ready for a railroad contest, or a contest on the ocean, for supremacy, has taken hold of this already, and, as I understand, has inaugurated a line to some of the South American States. I will also say that Wilmington, Delaware, our modest

little place, has already had a very profitable trade with South America, in manufacturing iron steamboats for its various streams, and in sending railroad cars there; and I am sure that the people of this country, and the members of this Board, are not aware of the great importance of that growing trade, and of the exceedingly great importance of fostering that trade in the future. You will bear in mind one thing. We have one advantage of the continent of Europe and of the competition on the other side, in the fact that South America lies nearer to us, that we can send our little boats from here to South America, as I happen to know, with but little risk. I think you would all be surprised at the growing trade between us and South America. Without making any further remarks on what is, to me, a very interesting subject, and which, I am sure, will prove to be a very interesting one to this Board, I will move that these resolutions be adopted.

The resolutions were voted upon and unanimously agreed to.

Mr. PEDDIE, of Newark: I ask leave to introduce a resolution pertaining to our visit to the Centennial grounds yesterday, as follows:

*WHEREAS*, The delegates in attendance upon the meeting of the National Board of Trade have visited the grounds of the great Centennial Exposition, and have been both surprised and highly gratified at the rapid progress being made in the construction of the various buildings to be devoted to the same; therefore,

*Resolved*, That as a body we feel an unhesitating conviction that the success of the enterprise is already assured, and most heartily commend the furtherance of the work to the pride and patriotism of our fellow-citizens in every section of our country.

Mr. YOUNG, of Baltimore: Before the passage of that resolution I would submit some additional resolutions of courtesy, which I will read, viz.:

*Resolved*, That our hearty thanks are due to the members of the Philadelphia Board of Trade and to the Philadelphia Commercial Exchange, for their uniform attention and courtesy to us during our sojourn with them.

*Resolved*, That we can but feebly express our obligations to the Philadelphia Commercial Exchange for the pleasure of a drive through the beautiful Fairmount Park, and for the magnificent banquet tendered to us in Belmont Hall.

*Resolved*, That now, as on several similar occasions heretofore, our thanks are due to the Hon. Frederick Fraley, for the ability, dignity and

impartiality with which he has presided over the deliberations of this body, and for his labor in advancing its interest and importance in the intervals between our regular annual sessions.

*Resolved*, That we think it our duty to make favorable mention of the various daily newspapers of Philadelphia for the attention and the care they have shown in reporting our proceedings to the general public.

*Resolved*, That our thanks to the Philadelphia Maritime Exchange are as warm and sincere as any which can animate the hearts of merchants for the handsome excursion to be enjoyed by us to-day on the Delaware river, and for the opportunity which will be afforded to us to view all those industries and advantages which have contributed to the importance and greatness of Philadelphia as a commercial port.

Mr. THURBER: I beg to add to the resolutions already offered by the gentleman who has preceded me, the following:

*Resolved*, That the National Board of Trade beg to express their appreciation of the courteous invitations of the Union League and Reform Clubs of the city of Philadelphia, and to tender their thanks for the kind feeling that dictated them.

*Resolved*, That the thanks of the Board are due and are hereby gratefully tendered to the committee of arrangements of the Board of Trade and Commercial Exchange, for their admirable arrangements for the personal comfort and convenience of the delegates, and for the dispatch of the business of the Board.

Mr. PEDDIE: If it is intended that these resolutions of courtesy, which I fully indorse, are offered as supplementary to mine, I do not accept them. The resolution I offer is one of national importance. I want to bring before the people the great exposition that is about to take place in 1876, and that alone, so that the people may know that we of this Board of Trade indorse them; that we have seen with our eyes these great buildings, and that they will be a success.

Mr. JOY, of Newark: I wish to say, in support of my colleague, that, in offering these resolutions, he was animated by a high patriotic feeling, which he thinks is paramount to a resolution of courtesy to the people of Philadelphia, and I regret that my friend on my right did not withhold his resolution for a few moments, until we had a vote on this resolution, relating to the great Centennial building.

Mr. THURBER: I hope we shall take them up, and act on them separately.

The PRESIDENT: The first question will be on the resolution and preamble proposed by Mr. PEDDIE.

The preamble and resolution was read.

Mr. STRANAHAN, of New York: I beg to second that resolution, and I wish to assure the gentlemen of Philadelphia that I do so with all my heart.

The preamble and resolution was unanimously adopted.

The PRESIDENT: The next is the proposition of courtesy submitted by Mr. YOUNG, of Baltimore.

Mr. HENRY, of New York: I second Mr. YOUNG's resolution — in fact all those resolutions of love and affection.

Mr. THURBER, of New York: As they are all resolutions of courtesy, I move we adopt them together.

Mr. BOYNTON, of New York: The thanks of the Board are tendered to the reporters of the Philadelphia papers. I beg that the New York papers may also be included.

Mr. YOUNG: I accept the amendment, and make it to include the press generally.

The PRESIDENT: The resolution is amended so as to embrace the press generally throughout the United States.

A MEMBER: I beg to add to the resolution of Mr. YOUNG the Mercantile Library of Philadelphia.

Mr. YOUNG: I accept that also.

Mr. HOLTON: I beg to inquire whether that dinner, on the boat this afternoon, can conscientiously be approved of before it is eaten?

The series of resolutions proposed by Mr. YOUNG and Mr. THURBER, as amended, were unanimously adopted.

The PRESIDENT: The next business in order is the report of the Committee on Transportation.

Mr. THURBER, of New York: I want to state that the committee to whom was referred the subject of transportation have held several meetings, and that, after a full consideration of the subject, we have unanimously agreed to report the following resolutions, and recommend their adoption by the Board.

WHEREAS, Certain defects exist in our system of transportation, which are an unnecessary burden upon commercial interests, and also upon every producer and consumer; and

WHEREAS, Prominent among those are the construction of railways mainly by the proceeds of bonds, without full payment of stock subscribed; the watering of stock on prosperous roads, to afford a plausible pretext for imposing upon the public an oppressive tariff of charges; combinations between parallel lines, for the same purpose; the division of the legitimate work of railroads among various sub-companies—such as fast freight, express, sleeping and palace car companies; the existence of bridge companies, and other similar devices, in which railway managers are interested, and which deplete the revenues which legitimately belong to stockholders, together with other and minor defects, which affect the public interest; therefore,

*Resolved*, That the subject of Transportation having, as it has, a most important bearing upon the welfare of both our internal and foreign commerce, should receive the earnest consideration of legislators, both State and National, to the end that substantial justice may be done both to the capital which has been honestly invested in our transportation system, and also to the public.

*Resolved*, That where transportation lines are located exclusively within the limits of a State, they should be regulated by State legislation; but where they are engaged in Inter-State commerce, it is the duty of the National Government to prescribe and enforce such regulations as will insure substantial justice to all concerned.

*Resolved*, That there exists a lamentable lack of reliable data upon which to base legislation at this time, and we therefore urge upon Congress the establishment of a Department, or Bureau, whose special business shall be to collect and disseminate information bearing upon our great internal commerce, which is now estimated to exceed in amount that of our foreign commerce in the ratio of twelve to one. We also commend to the attention of the various States the importance of collecting reliable information upon which to base local legislation upon this great question.

*Resolved*, That experience has shown that attempts to regulate the details of railway management are inexpedient, but that certain laws of a general character can be enacted which are both practicable and necessary for the protection of the public interests; among these primarily is the amendment of general railway laws now existing in the different States so as to prohibit the issue of stock which is not paid for, and the increase of capital stock, except for definite and specified extension or improvement. The issue of stock to represent surplus earnings which have been collected from the public should be absolutely prohibited.

*Second*—A uniform system for keeping the accounts of transportation companies should be established by law in all the States, which will enable a correct judgment to be formed of their condition.

*Third*—A uniform classification of the various articles of merchandise should be made in all the States.

*Fourth*—A uniform system of publishing or posting at every shipping

point a schedule of rates and fares, embracing all particulars regarding distances, classifications, special tariffs, etc.; and prohibiting the increase of such rates above the published limits, without giving the public at least thirty days' notice.

*Fifth*—Requiring railway companies to receipt for quantity, and to deliver the same at its destination.

Most of these regulations apply both to State and Inter-State commerce, and will, therefore, require legislation from both State and National Governments.

*Resolved*, That, in addition to the foregoing resolutions for our railway system, our national water lines should be improved, but that such improvement should be limited to perfecting existing lines, and the construction of short lines between great bodies of water, which promise large returns for small expenditures.

[The report was signed by the Committee.]

I will state in behalf of the committee that, in submitting these resolutions, we embodied as well as we could the substance of the report of the President on this question, with such other minor recommendations as you will see are added. We endeavored, so far as we could, to harmonize the views of conservative men, and I trust that they may meet with your approval, without a great deal of discussion.

**THE PRESIDENT:** The resolutions reported by the Committee on Transportation are before the Board.

**MR. PARKER**, of New York: I move that the subject be postponed till the next meeting of the Board.

**MR. HENRY**, of New York: I hope that will not be done. After all the labor which the committee have performed, to postpone it is not right. I hope the Board will act upon it, and adopt it.

**MR. STARK**, of New York: I amend the motion that it be referred to the Executive Council. There are some things reported by that committee that are impracticable and impossible, and we have not time to discuss that question as it should be. I therefore offer the amendment.

**MR. PARKER:** I accept that amendment.

**THE PRESIDENT:** It is moved that the further consideration of this subject be postponed, and that it be referred to the Executive Council.

Mr. THURBER: Before the question is put, I would like to make the suggestion that this subject has been considered at length by the President, and it is one of the most important subjects we have had before this meeting. The committee devoted a considerable amount of time and labor to it, and it would seem to me that the spirit of that report would probably meet with the approval of most of the delegates here.

Mr. STARK: I do not wish to question the ability of the gentlemen that have had this question under consideration, but there are some practical transportation men here, and if the report of the committee was not advisable for adoption in full, it might be made so by a long discussion which we have not time for to-day. For instance, one question—a uniform rate of classification for freights throughout the United States—a thing impracticable and impossible—together with many others.

Mr. ALLEN, of Philadelphia: I am very sorry that these resolutions should not have been brought in at an earlier stage. We have had this same topic before the Board for some three or four years. I don't like this idea of referring so many important subjects to the Executive Council. I think that they should be fully considered and discussed in this Board. It refers almost the entire business of the Board to the Executive Council. I regret very much it could not have been brought in before, so it could have been intelligently discussed. Some of it I agree with, and some I do not; but I presume we cannot enter, at this late stage of the proceedings, into an intelligent consideration of the resolutions.

Mr. HINCKEN, of New York: We spend so much time in discussion that we really have not enough time to listen to discussions, no matter how learned they are. Most of the men here are business men, and I think if it is referred to the Council to report, and they present their report at the opening of the next meeting, we will arrive at a conclusion better than if we discuss the question for a week.

The PRESIDENT: The motion is, that it be referred to the Council, and that it be the first order of business on the next programme.

Mr. COVINGTON, of Cincinnati: I would suggest that the subject be considered at a special meeting to be held at eight o'clock

this evening. The committee have devoted a great deal of time, and it is a subject that has been brought over from previous meetings, and it is a subject that seems likely to be postponed indefinitely. If we are to have influence in this country it must be done by prompt action, and it is no excuse to say that we have other business to attend to, or want to attend to other matters this afternoon. This matter is one of great importance, and I think it is one that should be discussed and considered. Every gentleman should consent to come here at eight o'clock to-night and give it that attention and consideration to which it is justly entitled, and which, I will add, a decent respect for the committee entitles it to. I will make the motion that it be made the special order for a special meeting to be held this evening at eight o'clock.

Mr. GROSVENOR, of St. Louis: I sincerely hope that motion may not pass; I am ready, for one, to forego any entertainments, pleasing as they may be, this afternoon, and go on and finish any business that we deem it necessary to do, right here. I do not believe that we shall find present here this evening that full representation of all the elements in this Board which ought to bear upon the consideration of any question of this character. Many gentlemen, doubtless, will leave; others will be detained by their private affairs, and our meeting will not represent the full Board. I think we ought to sit and act upon this thing now, or else postpone it.

The PRESIDENT: The gentleman from Ohio moves that this subject be considered at a special meeting of the Board, to be held this evening at eight o'clock. His motion would take precedence of the motion to postpone generally. The question will be upon that proposition.

Mr. HENRY: I move, as an amendment, that it be considered now. This subject came from the Executive Council; they made report through their President. It seems to me that we will never have a better time to dispose of it than now. We have got three-quarters of an hour, and if it takes a longer time I have no doubt this committee will wait for us.

The PRESIDENT: It could only be arrived at by voting down the proposition now before the Board.

Mr. COVINGTON: If my motion were withdrawn, then the motion of the gentleman from New York would be before the body. I withdraw my motion.

Mr. HENRY: I move to consider it at once.

The PRESIDENT: If the Board wants to consider this subject they will vote down the motion to postpone.

The motion to postpone was put, and lost.

The PRESIDENT: The resolutions are before the Board.

Mr. MCCREA, of Chicago: I move we adopt the committee's report.

Mr. GROSVENOR: If we act upon these resolutions, I trust they may be acted upon separately. There is matter in them calling for separate consideration.

The PRESIDENT: The resolutions will be before the Board separately.

The first resolution was read.

Mr. HENRY: I move the adoption of the preamble, and the first resolution.

The PRESIDENT: The proper order is to act upon the preamble last.

The first resolution was unanimously adopted.

The second resolution was read.

Mr. BROWN, of Cincinnati: I would like to call the attention of the Board to the fact that after an observation of more than twenty years in connection with the transportation business, I have observed that legislation for the management or for the control of railroads has never, in my judgment, effected any good. I have only to refer to Wisconsin, and the Wisconsin and Iowa laws passed a year ago last winter, known as the Granger laws, to corroborate what I say. I don't believe that this Board can afford to recommend wholesale legislation for the management of railroad companies in this country. Stockholders in railroads invest their capital as other individuals invest capital in private enter-

prises, and they are managed usually on business principles; and to say that they shall have any general legislation governing them, I think, would be fatal to the railroad business, and, as I said before, has never effected good, but generally effected evil; I am quite confident that is the result, and I hope the gentlemen of the Board will think before they vote on it.

Mr. THURBER: I will simply say that the gentleman has alluded to the legislation of Wisconsin, and other States, known as the Granger legislation. That resolution is expressly opposed to going into the details of railroad management, as those laws propose to do.

Mr. GROSVENOR, of St. Louis: That is precisely the objection I see to it. As it is expressed, it seems to warrant no legislation whatever, which, in the judgment of States, might be adapted to the regulation of through lines, or lines within those States which are engaged in Inter-State commerce. If the chairman or the committee could so modify that resolution as to limit it in that respect, there would be no objection from me; but it is so broad in its present shape, I shall have to vote against it. There is another resolution bearing on that subject, which, I think, covers the point better than this one. Upon the reading of the fourth resolution which I refer to, the objection which I made to the second resolution seems to me now even stronger, since I find the spirit of that resolution is so much better and more clearly expressed in the other one. I think the omission of the second resolution altogether will not impair the value of the series. I will move to lay the second resolution on the table.

Mr. HOLTON, of Milwaukee: I will announce myself as a bold Granger from the State of Wisconsin.

The PRESIDENT: I am sorry to interrupt you, but the gentleman from St. Louis has moved to lay the second resolution on the table, and in that state of the question I cannot hear debate.

The motion to lay on the table was withdrawn by Mr. GROSVENOR.

Mr. HOLTON: I only rise to say, just let us alone in Wisconsin; we will fight it out on that line; we are on the right track, and we ask that you will just let us alone. The General Govern-

ment, too, must keep its hands off, and that is why I go against this resolution in particular. We consider the State of Wisconsin is fully able to take care of its own railroads. I want to say a word to the gentleman here about our legislation in Wisconsin. If we have committed errors we are just the folks to take up this question of taking care of our own railroads and bring it right, so that all the railroads and the people of the State of Wisconsin shall be brought into unity, and Wall street men shall stay by themselves, and stay at home and attend to their own business. I beg the forbearance of the judgment of the public, which has been against us in Wisconsin, with regard to the bold ground we have taken, hoping, as we do, under our constitutional rights and our State rights, to manage our own affairs properly. You may make my regards to Mr. Sage, or anybody else in Wall street, and say that by and by we will bring the stocks of our Wisconsin railroads to a good sound basis, and we will take care of our own business. I renew the motion to lay the resolution on the table.

The motion to lay on the table was agreed to.

The PRESIDENT: The resolution is laid on the table. The third resolution of the series is now before the Board, and will be read.

The Secretary read the resolution.

Mr. GROSVENOR, of St. Louis: An objection to that resolution occurs to me, respecting the apparent want of information on the part of the Board. It is a fact, perhaps not known to the members of the Board, that Congress did, at its last session, make an appropriation of \$20,000 for the establishment of a bureau, subordinate to, and part of, the Bureau of Statistics, for the collection of these very railroad statistics which are desired, and a gentleman has been appointed — his appointment has not yet been publicly announced — who has been in attendance upon the sessions of this Board two or three days, and a gentleman who has been known all through the country as one eminently qualified for the discharge of that duty. I presume it would not be well for us to place the resolution in such form as to seem to be ignorant of the fact that Congress had already taken some steps in that direction.

Mr. THURBER: I am aware of the fact the gentleman has just stated, but I don't think that the tenor of the resolution, as at present stated, is in conflict with it. I would also say that there is some doubt as to the powers and duties of this very sub-bureau that he speaks of, and that the appointee himself is not yet aware whether he can proceed under that provision or not; it was hastily put through at the last end of the session of the last Congress.

Mr. HENRY, of New York: I move the adoption of the resolution.

The motion to adopt was submitted to vote, and agreed to upon a division — yeas 22, nays 16.

The PRESIDENT: The resolution is agreed to. The next resolution is now in order.

The Secretary read the next proposition.

Mr. THURBER: I would suggest, simply for the information of delegates, that that was divided into sections. In the event of any one section not being approved of, it could be stricken out, and the others, which might meet with their approval, could be adopted.

• Mr. BAYARD, of Baltimore: I move that this resolution be considered in sections.

And it was so ordered.

The Secretary then read the first section, as follows:

*Resolved*, That experience has shown that attempts to regulate the details of railroad management, are inexpedient; but that certain laws of a general character can be enacted, which are both practicable and necessary for the protection of the public interest.

This section was, on motion, adopted.

The next section was read, as follows:

Among these, primarily, is the amendment of general railway laws, now existing in the different States, so as to prohibit the issue of stock which is not paid for, and the increase of capital stock, except for definite and specific extension or improvement.

This section was also, on motion, agreed to.

The next section was read, as follows :

The issue of stock, to represent surplus earnings which have been collected from the public, should be absolutely prohibited.

Mr. GROSVENOR, of St. Louis: I hope that portion will not be adopted, for the reason that the stockholders of a company, if they have been earning a certain sum of money, have the unquestionable right to invest it in extensions or improvements, which they may choose to represent by additional stock or not. It seems to me it is their money, and they have a right to do what they please with it.

Mr. THURBER: I would state that the proposition made by the gentleman from St. Louis is this: that the stockholders have the right to invest their surplus earnings as they please. The resolution does not dispute that; but it does dispute the principle that, after the public have paid in for transportation a certain surplus, that they should afterwards be forced to pay dividends on what has been so paid in by them. In the last report of the Board of Massachusetts Railroad Commissioners, that thing is discussed at length; and, if it were not that our time is so short, I would like to present some views on that point, but I will refrain from doing it.

Mr. BROWN, of Cincinnati: It seems to me that the stockholders of the different companies had better attend to their own business. If they would attend to the election of their Board of Directors, and select such men as will direct them properly, they will not do anything against the interest of the stockholders. This matter of dictating to men who own stock in corporations, I do not think is the business of the Board of Trade. I don't think we can engage in that sort of business. I move that the resolution be laid on the table.

The motion to lay on the table was agreed to.

The Secretary then read the next section :

A uniform system of keeping the accounts of transportation companies should be established by law in all the States, which will enable a correct judgment to be formed of their condition.

This section was agreed to, without debate.

The Secretary read the next section, as follows:

A uniform classification of the various articles of merchandise should be made in all the States.

Mr. STARK: I would ask the chairman of the committee for an explanation of what is meant by that section.

Mr. THURBER: I would state that, at various times, in different parts of the United States, a different classification exists. For instance, we, in New York, make a re-shipment to the points west of Chicago; at Chicago they are re-classified, and the same articles are put in different classes.

Mr. BROWN, of Cincinnati: If there is one word added to that I will vote for it—"a uniform classification as far as practicable," or "for the interests of the country." Now, it is wholly impracticable to have a uniform classification extending all over this country. There is not a railroad man, or a man engaged in transportation, that will not tell you that is a fact. There are portions of this country that could not stand the same classification that other portions of the country can. The different geographical position makes it necessary to make a different classification of the same article.

Mr. THURBER: I will accept that amendment "as far as practicable."

Mr. GROSVENOR, of St. Louis: I think in that form it means practically nothing, and it seems to me it is just as well to expunge it altogether.

Mr. BAYARD, of Baltimore: It seems to me to resolve this Gordian knot that this resolution, and the following one, contemplate a recommendation in conflict with the spirit of the first resolution, viz., an interference in the general conduct of railway matters, which is declared to be inexpedient. I therefore move to lay this resolution on the table.

The motion to lay on the table was agreed to by a vote of 25 to 18.

The next section was then read, as follows:

A uniform system of publishing or posting at every shipping point a schedule of rates and fares, embracing all particulars regarding distances, classifications, and special tariffs, etc., and prohibiting the increase of such rates above the published limits without giving the public at least thirty days' notice.

Mr. HAYES, of Detroit: I take it that any resolution of that kind, calling for a fixed tariff to be given for thirty days, is entirely out of reason and justice for us to attempt to saddle upon any railway company.

Circumstances may occur within forty-eight hours whereby it becomes an absolute necessity either to raise or lower the rate of freight, something over which the company have no control whatever, and if they had the control whenever an advanced rate was to be fixed, and thirty days' notice had to be given, so great a rush would be made within that thirty days that they would be overwhelmed with business and it would be impossible to carry it, and on so much of the extra quantity that was offered within the time, and could not be carried, and which had to pay the advanced rate, the property-holders would lose the difference in the rates. I move that that section be laid upon the table.

The motion to lay on the table was agreed to by a vote of 23 to 13.

The Secretary then read the next section, as follows:

Requiring railway companies to receipt for quantity and deliver the same at its destination.

Mr. HAYES: I am sorry to occupy the attention of the Board so much, but there are points all over the country where it is necessary in the receipt of produce to take it into private warehouses, where the company have nothing in this world to do with the receiving of it, and where the railroads are subject to enormous overloading of property that they never get paid for at all, unless it is weighed at the other end. To make these people deliver the quantity that may be receipted for by some irresponsible person in the far-off West, perhaps upon a road that is in the hands of a receiver, and then when it gets to New York compel the New York Central road to deliver the quantity that this man receipted for, if he does so, and then what are you to do with the surplus, if there should be any, that there is no receipt for at all? That thing regulates itself. When it comes to receiving the

grain from the warehouse that is controlled by the railway company, and a receipt given for it by the agent of that company, then I go with you to compel that company to deliver the full quantity, but not to compel the New York Central to deliver the quantity that the receipt claims to be for, but let them fall back upon the party who gives the receipt.

Mr. GROSVENOR, of St. Louis: It seems to me this is very simple. The company may, or may not, receive bulk freight in cars, from some irresponsible party, and take it to New York without weighing. That is its business; but the shipper has a right to know that he shall receive what is sent. Now, that is plain, and it is the business of the railroad company to make such provision for their own protection as can be made readily, at slight expense. No railway man denies it, when the matter is looked squarely in the face, that such provision for their own protection as will enable them to deliver what is received, can and ought to be made.

Mr. THURBER: I would say, of those who object to a resolution of this kind, it is simply a manifestation of the spirit that all railway companies and lines evince — to submit to no regulation that they can possibly get out of. This, I think, is one of those cases that will appeal to the fair-minded. It is, as stated by the gentleman from St. Louis, possible for any railway at the seaboard to prescribe such regulations with its connecting lines as to insure a knowledge of what they are carrying, and I hope that this will be adopted.

Mr. BROWN, of Cincinnati: I want to say only a single word. In the month of August, bulk grain taken from the West, and brought to New York, the natural shrinkage for drying is one per cent. Now, is the railroad company to pay for the natural shrinkage and drying?

Mr. HAYES: I wish to give a word of explanation. I would not release the receiving road from their responsibility, not by any means. I say, if the receiving road receives four hundred and fifty bushels of grain, taking the natural shrinkage out, it is bound to deliver it. But who is he bound to deliver it to? To the consignee in New York? If so, who is to settle for the difference, if there is any? Are all the roads in the western country to saddle upon a single delivery road, in New York, the

responsibility of delivering what anybody may see fit to contract for? What we ask is, that this limitation of delivery shall fall back upon the party who starts it, and not upon the road that delivers it.

Mr. THURBER: That is a regulation of the railroad companies themselves.

Mr. STARK, of New York: When you require a railroad to give a receipt for what is delivered to it, and to deliver the quantity they receive, they will know what they do receive; and it is only what they have receipted for that they are required to deliver or pay for. It may be difficult to cover the whole case, but it seems to me a legitimate and proper manner of doing the business is, that if transportation lines, on their arrival at the seaboard, deliver only a part of what they have received, they should pay for the shortage, and not seek to get out of paying for what is short, or has been lost or stolen on the way. It seems to me that is improper; and when we require railroads in New York to make full delivery upon the bill of lading, they will know what they get from the roads which are in connection with them, in forming the transportation line, say from Chicago, St. Louis, or any other point, to New York.

Mr. COVINGTON, of Cincinnati: I would like to state a case that has fallen under my observation within the last few days, showing the necessity of adopting a resolution of this kind, if for nothing else, to prevent opportunities for fraud. Some time ago, whiskey was shipped by railroad from one city to another under bond, and at that time the price was agreed upon at twenty dollars per barrel for shipping; that is to say, it was classified in such a way that the value was fixed at twenty dollars a barrel. That, however, has been abolished, and it is no longer shipped under bonds; but that provision of twenty dollars a barrel, as valuation, has been kept up upon our western roads; and recently one of our whiskey men shipped a quantity of whiskey to a point south over the Mississippi Central railroad. The whiskey was worth something over eighty dollars a barrel, and after it got down to a certain point it was lost. Sixty dollars a barrel was taken from the owner by somebody, and when the shipper applied to the railroad, they said: "We don't know anything about it. We will pay you your twenty dollars a barrel, but we can

pay no more;" and the shipper had no remedy as against a bankrupt road. Every barrel of whiskey that goes out in that way is liable to be stolen by railroad employees, and sixty or eighty dollars' worth can be got by the expenditure of twenty dollars. In other words, they can take one thousand barrels of whiskey valued at one hundred dollars a barrel, and make a profit of eighty thousand dollars, by simply running it off on a side track.

Mr. BAYARD, of Baltimore: It seems to me the time of the Board can be economized by saying that the resolution has no force or effect, in view of the fact that it is merely affirmatory of a resolution which we have already adopted on bills of lading, which expressly referred to railroad receipts.

Mr. HENRY: I move the previous question.

The previous question was ordered, and the resolution then being submitted to a vote, was agreed to.

The PRESIDENT: The question now will be upon the remaining resolution in regard to water routes.

It was read, as follows:

*Resolved*, That in addition to the foregoing resolutions for our railway system, our national water lines should be improved; but that such improvement should be limited to perfecting existing lines and the construction of short lines between great bodies of water, which promise large returns for small expenditures.

Mr. HENRY, of New York, moved to adopt the resolution.

Mr. HOLTON: I move to amend by striking out all after the words "existing lines."

Mr. POTTER, of Davenport: Before that question is put, I want to say a word for the Northwest. The great object of all producers in the Northwest is to get to a market, and to get there at a reasonable price. When their property gets to Chicago on the way east, it is carried cheaply. But the question is how to get to Chicago. It is a fact, and I want the business men here to note that fact, as an argument in favor of some expenditures on short water lines, that it has cost almost as much for five years past to

get a bushel of grain across the State of Illinois, an average distance of two hundred miles from points of shipment on the Mississippi, almost as much as the one thousand miles to New York city from Chicago. Now, sir, we want to get across the State of Illinois more cheaply. How shall we do it? We want water competition. There are a number of railroads running across the State of Illinois, and there is a canal of one hundred miles from Chicago westward, reaching within sixty-five miles of the Mississippi river. There sixty-five miles of a new work will give a water line across the State of Illinois from the Mississippi river. Now, sir, what has been the effect of that canal; a small canal at that? The Rock Island railroad runs parallel one hundred miles with that canal. On that one hundred miles the price is only one-half what it is on every other hundred miles from Chicago westward. In other words, it has cost from eight to ten cents a bushel on every bushel of grain to get across to Chicago, in addition to what it would be if that canal was extended to the Mississippi river. The surplus wheat and corn of Iowa and Minnesota alone in 1872 was over sixty millions of bushels, and the saving upon that if this one short canal, this one little link of water communication, was made would be more than \$5,000,000 a year, or more than enough to build a canal annually.

A MEMBER: Why don't you build it then?

Mr. POTTER: I will tell you why we don't build it. The railroad interest of Illinois, as you all know, is immense, and in the last Constitutional Convention they got a clause into the Constitution prohibiting any expenditure for new improvements in the State of Illinois.

Mr. GROSVENOR, of St. Louis: By the State, not by individual operation.

Mr. POTTER: It is a fact that the railroad influence in the Constitutional Convention procured the adoption of that clause. This line is within the State of Illinois, and the State of Illinois is forbidden to make any improvement. Now, that is one point; the next point is this: that Illinois has not near so much interest in the construction of that short water line as the States west of the Mississippi river, the great grain-growing States of the West. They have a greater interest than the State of Illinois. And not they alone, — all the eastern country is interested in saving eight

or ten cents a bushel on the grain coming across the State of Illinois. The city of New York, the city of Philadelphia, the city of Baltimore, every ocean point in the East having easy connections with Chicago, is interested, because they will all have a share in the saving. Now, that is one instance; there may be other instances in the country where the building of a short water line between great bodies of water would result in immense saving in the cost of transportation. Now, we do not ask for power, or for the recommendation of this body for general works of internal improvements by the General Government, but we do ask that this Board, as business men, interested in the cheapest transportation of the great products of the West, and in sending their manufactures in the cheapest way to the West,—we do ask that they shall say to Congress, “Where you can get great results for small outlays it is wise for you to make the investment.”

Mr. HOLTON, of Milwaukee: Perhaps it ill becomes me to make such a motion as this. You are well aware that the State of Wisconsin, from which I come, is at this time prosecuting an internal improvement. I believe it is a delusion; I don't think there is any value in the improvement. That is my private opinion. But we mean to go to the mouth of the Mississippi. I do not care anything about how many millions of dollars the Government spends on the mouth of the Mississippi. I want to see that great natural highway opened, as it is going to be. That is what the National Board of Trade has said. I want to see a great city at its mouth that will rival New York or any other city on this continent, and any little water-way across the State of Illinois that Chicago cannot afford to do, let it do without. What is the use of sending to Congress for such little affairs as that, and getting Congress into all this mess of trouble that has grown out of it. What I want is to modify the resolution, so that the Board will give no countenance to such proceedings.

The PRESIDENT: Mr. Holton moves to limit the recommendation of this Board to the improvement of the existing water lines.

A MEMBER: I understand the resolution to be, that if there are any new rivers started up, they are not to be improved.

Mr. PRICE, of Mobile: I will remark that the Coosa river and the Tennessee are very old established ones.

The vote was then taken upon the amendment offered by Mr. HOLTON, and it was agreed to; and then upon the adoption of the resolution as amended, and it was carried.

Mr. MURISON, of Chicago: I move that the whole of this matter be laid on the table.

Mr. HOLTON, of Milwaukee: I submit to my friend he ought not to offer his proposition until this question is taken upon the preamble.

Mr. HENRY: I move the adoption of the preamble.

The PRESIDENT: Does the gentleman withdraw his proposition to lay this whole subject upon the table, for the purpose of having the question taken upon the preamble?

Mr. MURISON: Yes, I will withdraw it.

Mr. GROSVENOR, of St. Louis: Then I move to lay the preamble on the table. It seems to me there is a great deal in it that we can neither discuss nor approve.

Mr. THURBER: If the preamble is laid on the table, you stultify your own action and the action of your President in this matter.

The motion to lay on the table was then submitted, and lost.

The PRESIDENT: The motion now recurs on the adoption of the preamble.

Mr. BROWN, of Cincinnati: I would like to call the attention of the Board to this fact, that we have, by positive and decided votes of the Board, laid some of the resolutions on the table that are covered by this preamble. If the preamble was made to agree with the resolutions, I could vote for it.

Mr. THURBER: Have the preamble read, and then strike out all you please.

Mr. STRANAHAN, of New York: I move that the preamble be referred to the Executive Council, for the purpose of having it accord with the action of the Board in the matter of detail.

Mr. THURBER: Would you not refer it to the President instead of the Council?

Mr. STRANAHAN: I have no objection, I accept that suggestion.

The PRESIDENT: What would the President do with it?

Mr. THURBER: Put it on the records, modified so as to be in harmony with the resolutions, if it is not so now.

The motion to refer the preamble to the President of the Board was unanimously agreed to.

The PRESIDENT: The Board has agreed to some of these resolutions. The question now recurs as to whether we shall finally adopt them as the sense of this body?

The question, on the adoption of the propositions agreed to, was submitted to a vote, and carried.

The preamble modified by the President, and the resolutions as finally adopted, were as follows:

WHEREAS, Certain defects exist in our system of transportation which are an unnecessary burden upon commercial interests, and upon every producer and consumer; and

WHEREAS, Prominent among these are the division of the legitimate work of railways among various sub-companies, such as fast freight, express, sleeping and palace car companies; the existence of bridge companies, and other similar devices in which railway managers are interested, and which deplete the revenues which legitimately belong to stockholders, together with other and minor defects which affect public interest; therefore,

*Resolved*, That the subject of Transportation having, as it has, a most important bearing upon the welfare of both our internal and foreign commerce, should receive the earnest consideration of legislators, both State and National, to the end that substantial justice may be done both to the capital which has been honestly invested in our transportation system, and also to the public.

*Resolved*, That there exists a lamentable lack of reliable data upon which to base legislation at this time, and we therefore urge upon Congress the establishment of a Department, or Bureau, whose special business shall be to collect and disseminate information bearing upon our great internal commerce, which is now estimated to exceed in amount that of our foreign commerce in the ratio of twelve to one. We also commend to the attention of the various States the importance of collecting reliable information on which to base local legislation upon this great question.

*Resolved*, That experience has shown that attempts to regulate the details of railway management are inexpedient, but that certain laws of a general character can be enacted which are both practicable and necessary for the protection of the public interests; among these primarily is the amendment of general railway laws now existing in the different States so as to prohibit the issue of stock which is not paid for, and the increase of capital stock, except for definite and specified extension or improvement.

*Second*—A uniform system for keeping the accounts of transportation companies should be established by law in all the States, which will enable a correct judgment to be formed of their condition.

*Third*—Requiring railroad companies to receipt for quantity, and to deliver same at its destination.

*Resolved*, In addition to the foregoing regulations for our railway system, that our national water lines should be improved, but that such improvement should be limited to perfecting existing lines.

Mr. WETHERELL, of Philadelphia: I desire to call up the article as presented by the Board of Trade of Chicago, in reference to direct importations to the interior. It is the last on the schedule, and a very important one, and I think we should take some action on the matter before we adjourn.

The PRESIDENT: That will be taken up, unless there is objection.

The Secretary read the resolution, as follows:

*Resolved*, That the National Board of Trade recommend and urge such modifications of the rulings of the Treasury Department in regard to allowances for damages on importations of merchandise as will construe the date of landing, as contemplated by section 2927, Revised Statutes, to be the arrival of the goods at their ultimate destination, as shown by the manifest or bill of lading alluded to in section 2990, Revised Statutes, and not necessarily the port of arrival from a foreign country—recent rulings of the Department having the effect to restrict importations under the law of 1870, and in large measure being injurious to the interests of interior importers.

Mr. MURISON, of Chicago: I am very sorry that this question has been delayed until the closing minutes of the session, thereby depriving many gentlemen of the opportunity of saying a few words on the question. I think it is an important one, and it is something we owe to the importers of the interior of this country that the question should be looked to, and a recommendation made by this Board. The technical construction of the law by the Customs Department has led to considerable discussion between the interior importers and the customs officials at the

interior ports with the department at Washington; and an attorney in the Department of Justice has written an opinion in the case, which has been submitted to the Attorney General for his views, which have not yet been given on the subject. In the meantime the interior importers were entirely cut off from any benefits of the law as it is now construed. The practical difference between the Treasury Department at Washington and the interior importers is simply this: the Washington officials hold that all claims for damages must be made within ten days of the landing of the goods at the first port of entry, which, as I understand it, means that in case of an importation coming by way of New York, the time for claiming damage dates from the time the vessel lands at that port. The interior importers claim that the landing of the merchandise at the port of ultimate destination is the time from which to date the ten days allowed to make a claim of damages for goods injured in transportation. Section 2927 of the Revised Statutes provides for an allowance of damages when the goods are injured in transportation, and that a claim therefor must be made within ten days of landing. The owner or consignee of the goods is in no position to make any claim until they arrive at the port of destination, because no appraisement of damage can be made until the goods are received there.

The Act of 1799 is, that allowance should be made at the port of arrival. Under the Act of 1870, and the construction of the Treasury Department, heretofore the port of arrival has been construed to mean the place to which the goods are consigned, and where they are appraised for customs duties; but recent rulings have so changed this practice that damages can only be claimed within ten days of the arrival, say at New York or Philadelphia, and under this ruling Western importers are substantially prevented from competing with the seaboard importers. I am not in possession of the statistics of interior importations to the ports of St. Louis and Cincinnati, but in Chicago during the past year \$12,000,000 have been sold of imported goods; about \$8,000,000 of that amount has been by direct importation. Therefore, the gentlemen will see the injustice that this class of importers experience under these rulings. It seems but simple justice to the interior importers that the customs official should construe the law in the spirit in which it was intended. The loss of these Western importers will be immediate and certain if the route of

importation is only a continuous or unbroken one, and the damage only ascertainable at the port of first arrival. I have prepared further remarks, but as I see the gentlemen are getting very impatient I will simply call your attention to the point where the injustice comes in. The Constitution of the United States provides, in section one of section nine, that all duties, imposts and excises shall be uniform throughout the United States; and in section nine it says that no preference shall be given by any regulation of commerce or revenue to the ports of one State over another. That is one point which we claim for the passage of this resolution; but I cannot detain the Board, and would call the previous question on the passage of this resolution.

The previous question was ordered, and the adoption of the resolution was agreed to by a vote of 28 yeas to 5 nays.

The PRESIDENT: The only remaining question on the programme undisposed of is that relating to Savings Banks. A report (see page 216) was made by Mr. NOURSE, with which I concur, and it is for the Board now to determine whether they will consider that question, or adjourn.

Mr. HINCKEN, of New York: I hope that this subject will be indefinitely postponed. It is not national; it is a subject that requires only the legislation of each particular State. I do not think the Congress of the United States can make laws that will apply to all sections of the country; particular localities must make their own laws.

Mr. WETHERELL: I would suggest, as we have a very full report from a very distinguished member of this Board, Mr. NOURSE, of Boston, that it would be proper, out of courtesy to him, as well as on account of the merits of the question itself, to refer the whole matter to the Executive Council for further consideration. I move it be so referred.

The motion was agreed to.

Mr. How, of Chicago: I believe my colleague, Mr. IRWIN,

NOTE.—Under date of July 12, 1875, the Secretary of the Treasury has promulgated an order giving a construction to the laws as asked by the resolution adopted by the Board.—Sec'y.

has some resolutions that he would like to have referred to the Executive Council, in regard to Savings Banks.

The PRESIDENT: It can be done at this time.

Mr. IRWIN, of Chicago, submitted the following resolution, which was read:

*Resolved*, That the National Board of Trade recommend the enactment, by the several States, of laws substantially uniform in character, for the government of Savings Banks, by which perfect security to depositors may be insured, and by which the managers of all Savings Banks shall be required to make full reports, under oath, to designated State officers, at least annually, which reports shall be published in the public press of the city or county in which such banks are located. Such banks also to be subject to visitation and examination, at any time, by duly authorized State officers; and further, that such banks shall be required to make and publish a full statement of their condition on any day in the past that proper officers may designate.

A motion to refer the resolution to the Executive Council was made, and adopted.

The PRESIDENT: Mr. HINCKEN, of New York, in connection with this subject, puts the Council in possession of a State law, passed in the State of New York.

I wish to state that the Executive Council has deferred fixing the time and place of the next meeting of the Board until their meeting in Washington. Due notice will be given of the time and place of the next meeting of the Board.

I have a couple of announcements to make. The Reform Club, of this city, invite such of the members of the Board as may choose to go there this evening, with their ladies, to be present at a concert, which will be given on that occasion.

Mr. PARKER, of New York: I move that the thanks of the Board be presented to the Reform Club for their invitation, and that it be accepted.

Adopted.

Mr. STRANAHAN, of New York: I move that we do now adjourn.

Mr. BAYARD, of Baltimore: I must ask the gentleman from New York to withdraw his motion, for the purpose of offering a resolution of courtesy.

The motion to adjourn was withdrawn.

Mr. BAYARD: I beg to offer, as a resolution, "That the cordial thanks of this Board are due, and are hereby tendered, to our Secretary, for the able and efficient discharge of his duties in that position."

The PRESIDENT: The Board has heard the motion. I may say, before putting this question, having known Mr. RANDOLPH, as a delegate to this Board, as a member of the Executive Council, and as the Secretary of this body, that I think not only such a resolution, but one infinitely more comprehensive in its character, than that is, is justly his due. His recent devotion to the interests of the National Board of Trade, by which, I think, its existence is to be perpetuated and made effectual, entitles him to such an expression of opinion from me; and I am sure that when I put this question, it will be adopted by acclamation.

The resolution was adopted.

Mr. RANDOLPH, being called upon to respond, made the following remarks:

With the steamboat bell, for our excursion, ringing in my ears, I cannot more than thank you for this kind expression. I know you do not want to be detained, and the gentlemen who are waiting to be your escort to the excursion this afternoon do not want to be detained. If I had time I might perhaps add a few more words, but I will simply say, I thank you.

Mr. HOLTON, of Milwaukee: I hope we are to have the parting words of the President. We have never separated without it, and we cannot afford to do so for any steamboat excursion.

The PRESIDENT: The President of this Board thanks you most cordially for all the evidences of confidence and affection that you have bestowed on him, and, as we are about to separate, all that he has to say is: God bless you, and bring us all together again next year. (Applause.)

This Board is now adjourned, to meet again at such time and place as may be designated by the Executive Council at some future meeting of that body.

## REPORT ON INCORPORATION OF SAVINGS BANKS.

(See page 213.)

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NATIONAL BOARD OF TRADE,

BALTIMORE, January, 1874.

Resolution considered and referred to the Executive Council.

*Resolved*, That the National Board of Trade recommend to the Legislatures of the several States the incorporation of Savings Banks, whose duty it shall be to receive upon deposit from any person any sum (of money) from one dollar to one thousand dollars; all money received to be invested in any registered public stock created by virtue of any law of the United States, and in no other way.

Wherever savings banks have been properly organized, and their affairs wisely and faithfully administered, they are recognized as institutions of high utility. Money in personal possession, especially of persons having no safe place of keeping, is exposed to much danger of loss or destruction, by accident or theft. In its possession there is (except to miserly dispositions) a continual temptation to expend it. Experiment has proved that a habit of saving money and of practicing self-denial in respect of unnecessary and hurtful expenditure could be induced by providing a place where the poor man or woman could leave their few hardly earned dollars, assured that the money would be perfectly safe, ready at call when wanted, and always earning some interest. This habit, encouraged by savings banks, has been the foundation of much prosperity and of some good fortunes.

The want of these institutions was first and most felt where population, especially of the wages-earning classes, was most dense, and they are found most numerous, extensive in operation, and successful in the large northern and eastern cities, and in towns that are centers of manufacturing industry.

Their primary object was to provide depositaries for the safe keeping of the small savings of seamen, laborers, and others of the poorer classes, and cause them to earn a profit or interest. The favorable experience of these depositors became an inducement to others. Persons of substance, adults and children, (even

those of wealthy parents,) found the savings banks to be good places for making their idle money productive without risk to themselves. This disposition to share the poor man's privilege was pushed so far by people of large means that it became necessary for the larger and more successful banks to place a limit to the amount of any one depositor's balance drawing interest.

While benefit to depositors has been realized beyond expectation, another benefit to the community at large, scarcely less important, has resulted from savings banks in their function of drawing together small sums in almost countless numbers, into the larger sums which in their hands become active capital employed as loans in the promotion and increase of almost every branch of legitimate business; thus utilizing with best effects and highest power a vast sum, of which the greater part must have been idle, if not wasted, but for this or some other agency of like character.

The committee have been unable to find full returns of the savings banks in all the States. Of the reports from the ten States—the six New England States, New York, New Jersey, Pennsylvania and California—the greater part are more than a year old, and doubtless fail to show the full amount of deposits now held by them. More than a year ago their aggregate exceeded eight hundred and fifty million dollars. Nearly all of that great sum is made to earn a good interest for its owners—exceeding fifty million dollars yearly—by loans upon real estate, mortgages, personal and other securities, or by purchase of National, State or corporate bonds or obligations of debt. In this way that immense amount of poor men's capital is made active, productive, and a useful power, instead of lying in idle hoards. The magnitude of the capital so quickened and utilized appears, when compared with the sum total of the private deposits in all the National Banks in the United States, October, 1874—only six hundred and sixty-nine millions, and with their total amount of “loans and discounts,” at this date nine hundred and fifty million dollars.

The system found so useful and beneficent in these States should be extended to the people of all the States, wherever the population is sufficient. In every State money lies hidden, hoarded, idle, and in danger of loss. Its amount in some States would be incredible to every one who had not investigated the matter. Yet, in some of those States there is much talk of pov-

erty, and the appearances are certainly not those of prosperity, because the money there is not made active and productive as it should be.

Every political economist — and every true merchant is a practical political economist — should co-operate with statesmen in office, to develop and extend every system by which the prosperity and well being of the people may be promoted. This is one of the important practical questions of the day: how shall the dead capital be best quickened — how shall it be brought into profitable use to lighten the common burthen, instead of hiding from the tax gatherer?

In England, the Government has recently made itself the great savings bank of the people, through the machinery of its postoffice department, and the success and efficiency of the new system seem to be fully demonstrated. The deposits exceed the expectations of its most sanguine promoters, though in petty sums, from very humble classes, and the benefit of mere money saving, "against a wet day," is said to be surpassed by reducing the visits to ale and gin houses, where formerly the shillings and sixpences were worse than wasted — whereby a former serious evil is replaced by a substantial good.

Some good citizens have urged that our National Government adopt a similar system to be worked through our omnipresent postoffice department. It is truly said that a double economy can be secured to the Government by borrowing the people's money in these petty sums of savings at a lower rate of interest than any other *capitalist* in the world will accept, and to the depositors by giving them a better interest than they can make (net) anywhere else *on equal security*, the best security possible. The suggestion has everything to recommend it, except that it is unsuited to the structure of our Government and to the frequent change in official *personnel*. It has been often said that the National Government should do nothing for the people or States, that the people or States can do for themselves. This principle forbids banking and all other fiscal management except for the needs and purposes of the Government itself, and as required under the constitutional provisions for coining money and regulating the value thereof, and for regulating the currency. However beneficent and economical might be an arrangement for making the United States Treasury a savings bank and the Post-office Department an agency throughout the country for receiv-

ing and paying from and to depositors, a dread of the consequences of such a change in the functions of the Government, and perhaps a sense of the greatly increased temptation to, and opportunity for, corruption and "defalcation," would probably outweigh all hope of good and arouse a resolute opposition.

The several State governments are the proper custodians of the powers whose exercise is required for the purpose now in hand.

The primary and essential conditions necessary in the plan and organization of a savings institution, are absolute safety to the funds committed to its keeping, and the best rate of annual interest thereon compatible with that safety. The trite but true saying, that "high interest means bad security," applies with peculiar force to the investment of all trust funds, especially to the deposits in savings banks by poor people.

Nearly all the losses made by these institutions have been from insecure investments made under the temptation of a high rate of interest. To avoid danger of loss, the money must be loaned upon, or invested in, only the best of securities. Improved real estate in the large cities, where local wealth and business activity give it a high and almost permanent value, is justly regarded as one of the best securities for loans of trust funds, upon mortgages to the extent of about one-half the value of the estates. Outside of those cities, real estate is of fluctuating value, and less reliable as a security. Especially does it fail where it has become subject to excessive taxation and reduced income, through corrupt and incapable municipal and State governments; and its improvements lack the protection of good local government against depreciation and destruction. Mortgage loans being made, usually, for terms of years, stability of value is of first importance, in estimating the security.

The obligations of the several States for their funded and interest-bearing debt, ought to be in value second only to those of the nation. Some of them are so valued in the money markets of the world, and the bonds of Massachusetts have for some years borne a higher value in London than any other American security. Unfortunately the credit of some of the States is under a cloud. Until that shall be cleared away, and full payment of their annual interest obligations resumed, with good assurance that it will be maintained, the bonds, and other obligations of such States, should not be accepted by savings banks, either as

investments or as security for loans; not even by banks within their jurisdiction. The same rule applies, with still more force, to city, country, and other evidences of debt, now lamentably abundant in the market.

Loans upon personal security are made by many, if not all, of the savings banks in the New England and Middle States; probably by all where not forbidden by their charters. Their rule, however, demands a high degree of such security — generally three names, all known or believed to be good. Corporations, merchants, manufacturers or others having large invested capital, and needing active capital for their business, are the favored borrowers from the savings banks. The loans to them promote productive industry and exchange of commodities, while at the same time they become a protection to the banks. In sudden panics, where frightened depositors have made runs upon the banks, the scarcity of money and depression of values which attend a panic have made it difficult to negotiate or sell mortgages and other securities, and impossible without large sacrifice. In such times their calls upon their commercial or personal loans have been promptly met, and generally to an extent adequate to the emergency. In this gratifying fact is evidence of the moving and transferable use of the money so borrowed; of the financial strength of the borrowers; and of the value to the banks of this part of their loans, which while producing a good interest was yet so quickly available at need. It should be observed, however, that to have this class of loans so valuable and so available to savings banks, they must be of the character described — as to men who have credit to command money elsewhere, even in a time of panic — and in localities where other loanable capital was accessible. These personal loans which are an element of strength to the banks under these circumstances, would be no protection; might be an element of weakness under different conditions; and certainly would be unsuitable in many sections of this country where savings banks are much needed.

There is one kind of security, whether for investment or as collateral for loans, which is always and everywhere *good* — the registered bonds of the United States. Being registered, they are safe from robbery. Upon proof of destruction by fire, they can be duplicated. They will command the best price in market when from scarcity of money other securities can be sold only at great sacrifice, if at all, and upon their hypothecation money can

be borrowed at the lowest interest. The entire deposit of a savings bank, save only the small sum required for an average of daily drafts by depositors, may safely be kept constantly and closely invested in them, in the certainty that upon the shortest notice they will command in any large money market the cash funds to meet any run that can be made upon the bank. In all places where other securities for loans and subjects for investment, good beyond all doubt, cannot be obtained, only United States registered bonds should be taken. Another reason for investing savings exclusively in the National bonds, is its saving in expense of management as well as in risk of loss. The highest order of business capacity and good judgment are required for proper management when the deposits are variously loaned and invested; while only clerical accuracy and honesty are required for the safe and successful conduct of a savings bank restricted in its investments solely to United States registered bonds, and with far less of clerical work.

As "high interest means bad security," so the purchase of good security means low interest, or its equivalent, a high cost price. The market price for United States bonds is therefore so high that upon it not more than four and one-half per cent. per annum can be expected. Even from that, in the case of savings banks, a deduction must be made to cover expenses, leaving not more than four per cent. per annum to depositors. But then their money would be absolutely safe, and earning the four per cent.; a great gain, where now the money is in constant danger of loss or waste, and earning nothing.

When the Freedmen's Bank was incorporated under act of Congress, in 1865, its plan of organization contained the feature here recommended—investment of its deposits exclusively in United States bonds. It is easy now to see how great the success of that bank must have been, had that limitation been retained, and fraud in management could have been prevented. Bonds now worth twenty per cent. premium, were then hardly worth par. They have paid six per cent. yearly, in gold, an average of about seven per cent. currency. The depositor who put one hundred dollars into the bank in 1865, and suffered its interest to accumulate, compounding every six months, and including his share in the appreciation of the bonds during the ten years, would now have had more than two hundred dollars to his credit, after paying *pro rata* share of reasonable expenses. It

is impossible to estimate the moral effect of a success like that, encouraging industry, economy, good habits, and confidence in the Government — not alone in the freedmen who were to be the beneficiaries of that bank, but in all classes of people. It is equally impossible to compute the fearful moral and pecuniary loss by the failure of that experimental institution. In the absence of evidence of any other sufficient cause, the failure must be attributed to the removal by Congress of the limitation upon its investments. Probably one-half or more of the depositors' money, amounting to about three million dollars, will be lost to them, besides all the profit which was promised, and ought to have accrued to them. The depositors believed that the charter of the bank by Congress gave to them the national guarantee of safety to their money. It was incumbent upon Congress and the Executive, which had invested certain trustees with power to take the money of those trusting depositors, to see that they were faithful to the trust. Unfaithfulness there was criminal. It lost money, and killed a trusting, simple faith, which was more than money, when fidelity could have saved both. It may not be competent for Congress to appropriate the money of the whole people, to repair the financial part of the wrong, and make good the depositors' loss; but that it would be expedient, as a measure of political economy, cannot be doubted, if it would repair the broken confidence of over-trusting people, and renew the practical operation of a sound and efficient system of savings.

In the failure of that bank no good argument is found against savings banks. On the contrary, that failure affords a good reason to hope for, and to expect success by avoiding the known causes of failure. In that case the source of authority and the duty of supervision were too remote, being in the National Government. Resting in the State governments the responsibility is ever present, and in every State some good citizens would keep constant watch that the money of the poor be carefully guarded from official fraud, its only peril when all is kept invested in U. S. Registered Bonds.

In obtaining entire security for depositors' money, one other point besides the character of investments to be made is necessary; that is, in the personal character of the men to whom the management shall be entrusted. This requires first a board of trustees for each institution, composed of men of known integ-

rity, having so much wealth of their own that they can afford to serve on this trust without pay, yet serving faithfully and constantly, and worthily commanding entire confidence:—then these trustees, vested by the charter with power to fill vacancies in their own body, and to appoint the requisite manager or treasurer and his clerks, and to approve their bonds, also to establish by-laws for their government.

In the establishment of the earlier savings institutions, it was found necessary or expedient to provide a guarantee capital by voluntary subscriptions of wealthy men to protect the money of depositors from loss, and to pay to the subscribers of this guarantee fund a moderate rate of interest yearly in compensation for its use and the protection it afforded,—all other profits, after deduction of expenses, being divided *pro rata* among the depositors, the greater part yearly, and the remainder once in five years. The leading idea in the organization of all true savings banks being that they are designed for the benefit solely of the depositors.

Another kind of banks has been put in operation in many parts of the country, under the title of “savings banks,” which are not exclusively or especially designed to benefit their depositors. They are private or corporate banking concerns whose object is to make profits for their owners upon their own capital and the depositor’s money by banking upon it. Some of them are sound, well managed banks; others of them, in taking the name “savings banks,” have “stolen the livery of heaven to serve the devil in,” and have shamefully betrayed the confidence they had won, obtaining the money of the poor under false pretenses and never repaying it.

Because of this liability to abuse, the use of the title “*savings*” banks should be by law denied to all persons or corporations except when chartered by law and under proper guarantees as distinctively savings institutions.

In conclusion, the committee recommend the adoption of the resolution by the National Board of Trade.

B. F. NOURSE,  
FREDERICK FRALEY,

*Committee.*

*Philadelphia, June 15, 1875.*

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Deposits in savings banks, exclusive of surplus undivided profits; from the last report of the Comptroller of the Currency:

|                                |               |               |
|--------------------------------|---------------|---------------|
| Maine, Nov., 1873.....         | \$ 28,253,000 |               |
| New Hampshire, May, 1874.....  | 28,352,000    |               |
| Vermont, July, 1874.....       | 5,000,000     |               |
| Massachusetts, Dec., 1873..... | 202,195,000   |               |
| Rhode Island, Dec., 1873.....  | 46,637,000    |               |
| Connecticut, Jan., 1874.....   | 70,769,000    |               |
|                                |               | \$381,206,000 |
| New York, Jan., 1874.....      | \$285,520,000 |               |
| New Jersey, Feb., 1874.....    | 29,627,000    |               |
| California, July, 1874.....    | 62,933,000    |               |
| Pennsylvania.....              |               | \$378,080,000 |

The amount January 1, 1875, had been increased probably by thirty-five or fifty millions more (about the amount of the interest) in all those States.

**CONSTITUTION**  
**OF THE**  
**NATIONAL BOARD OF TRADE,**  
**ADOPTED AT PHILADELPHIA, JUNE 5, 1868,**  
**AND AS SINCE AMENDED.**

**DECLARATION.**

In order to promote the efficiency and extend the usefulness of the various Boards of Trade, Chambers of Commerce, and other chartered bodies, organized for general commercial purposes, in the United States; in order to secure unity and harmony of action in reference to commercial usages, customs and laws; and especially, in order to secure the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large, this Association, on this 5th day of June, 1868, is hereby formed by delegates, now in session in the city of Philadelphia, representing the following named commercial organizations, to wit:

|                                  |                                      |
|----------------------------------|--------------------------------------|
| Albany Board of Trade,           | New York Chamber of Commerce,        |
| Baltimore Board of Trade,        | New York Produce Exchange,           |
| Boston Board of Trade,           | Oswego Board of Trade,               |
| Boston Corn Exchange,            | Peoria Merchants' Exchange,          |
| Buffalo Board of Trade,          | Philadelphia Board of Trade,         |
| Charleston Board of Trade,       | Philadelphia Commercial Exchange,    |
| Chicago Board of Trade,          | Pittsburgh Board of Trade,           |
| Cincinnati Chamber of Commerce,  | Portland Board of Trade,             |
| Cleveland Board of Trade,        | Providence Board of Trade,           |
| Denver Board of Trade,           | Richmond Chamber of Commerce,        |
| Detroit Board of Trade,          | St. Louis Board of Trade,            |
| Dubuque Produce Exchange,        | St. Louis Union Merchants' Exchange, |
| Louisville Board of Trade,       | St. Paul Chamber of Commerce,        |
| Milwaukee Chamber of Commerce,   | Toledo Board of Trade,               |
| Newark Board of Trade,           | Troy Board of Trade,                 |
| New Orleans Chamber of Commerce, | Wilmington (Del.) Board of Trade,    |

And the following Constitution is adopted:

**ARTICLE I.**

**SECTION 1.** This Association shall be designated the **NATIONAL BOARD OF TRADE.**

## ARTICLE II.

SECTION 1. Every Local Board of Trade, Chamber of Commerce, or other body organized for general commercial, and not for special or private purposes, and duly chartered under State or National laws, shall be entitled to membership in this Association, on the approval of two-thirds of the bodies represented at any meeting of the Association, and shall be accorded the following representation: Each such Association having fifty members, who have the right to vote therein, shall be entitled to one delegate; having one hundred members, two delegates; having three hundred members, three delegates; having five hundred members, four delegates; and for each additional three hundred members, one additional delegate.

SEC. 2. Delegates, who shall, in all cases, be active members of not less than one year's standing of the respective bodies which they represent, shall be selected by the local organizations in such manner and for such term of not less than one year, as each may see fit. At each meeting of the Board they shall present credentials under seal from the Secretaries of their respective constituencies; these credentials shall certify the number of members authorized to vote, then connected with the body which is claiming representation, and which may present or may have a copy of its charter on file in this Board.

## ARTICLE III.

SECTION 1. Each delegate shall be entitled to one vote in person, but no voting by proxy shall be allowed. All votes, except for election of officers, shall be *viva voce*. Any delegate may demand a division of the house, and on the demand of three or more delegates, a call of the yeas and nays shall be had, the result of the same to be duly recorded.

## ARTICLE IV.

SECTION 1. The administration of the affairs of this Board shall be vested in a President and fourteen Vice-Presidents, who shall be elected at the annual meeting by ballot on a majority of all the votes cast, and who shall serve until their successors are chosen. Their election shall be the first business in order. They shall be constituted and known as an Executive Council, and five of their number shall be a quorum for the transaction of business. In the absence or disability of the President, a Vice-President, to be designated by his associates, shall serve.

SEC. 2. It shall be the duty of the Executive Council, immediately after their election, to select a Secretary and a Treasurer (neither of whom shall be of their own number), who shall hold office for such time, and who shall receive such compensation as the Council shall determine.

SEC. 3. The offices of the Secretary and Treasurer may be located at such places as the Council may determine.

SEC. 4. Special meetings of the Council shall be held on the call of seven members thereof, at such place as they may designate, on twenty days' notice to be given by the Secretary.

SEC. 5. In case of the removal, resignation, or death of any member of the Council, his place for the unexpired term shall be promptly filled by the constituent association of which he was a member.

## ARTICLE V.

SECTION 1. It shall be the duty of the Executive Council: 1st. To provide for full and accurate records of the proceedings of the Board and of its own meetings. 2d. To submit to each annual meeting a report of the doings of the Board and of its own official acts, as well as a statement of what new or unfinished business may require attention. 3d. To make full statement, concerning the finances of the Board, to the annual meetings, and to other meetings, when called upon to do so. 4th. To apportion to each constituent body its assessment for the expenses of the Board, as provided elsewhere. 5th. To make such recommendations as it may deem to be necessary for the welfare and to promote the objects of the Board.

SEC. 2. The Secretary shall conduct the official correspondence, and shall make and have charge of the records of the Board and of the Executive Council.

SEC. 3. The Treasurer shall give such security as the Executive Council may require, receive and account for all moneys belonging to the Board, and collect assessments and fines; but he shall pay out money and dispose of the property of the Board only on a warrant of the Secretary, countersigned by the President.

## ARTICLE VI.

SECTION 1. Meetings of the National Board of Trade shall be held at such times and places as shall be determined by the Executive Council.

SEC. 2. Special meetings may be held on the call of eight members of the Executive Council, at such place as they may designate.

SEC. 3. The attendance of forty delegates shall constitute a quorum: *Provided*, That if a majority of the delegates accredited to and in attendance at any meeting shall be in number less than forty, such majority shall constitute a quorum.

SEC. 4. Notice of the annual or other meetings shall be served by the Secretary on each constituent body at least thirty days before the time appointed for assembling. The notice shall state the objects of the meeting, and the questions to be considered.

SEC. 5. A meeting of the Executive Council shall be held on the day preceding the day of any meeting of the Board, and at such other times as may be provided in its By-Laws.

## ARTICLE VII.

SECTION 1. The expenses of the Board shall be provided for by an assessment—to be made by the Executive Council—on each constituent body, according to the ratio of its officially reported membership.

## ARTICLE VIII.

SECTION 1. Questions or resolutions, except those which involve points of order, or refer to matters of courtesy, can be submitted only by the constituent bodies of the Board, or by the Executive Council; and when any constituent body shall desire to present a subject for the consideration of the Board, it shall do so in a written paper to be placed in the hands of the Secretary at least forty days previous to the annual or special meeting at which it is to be considered: *Provided, however,* That any subject not thus submitted may be considered and acted upon by a vote of two-thirds of the delegates present.

## ARTICLE IX.

SECTION 1. Any constituent body charged with a violation of the laws of this Board may, after a formal complaint thereof in writing, on a vote of two-thirds of all the delegates of the other bodies represented herein, be expelled; but it shall not be exempted from the payment of assessments levied for the year current.

SEC. 2. Any constituent body may withdraw from membership in the Board on submitting a formal request to that effect at an annual meeting, and on full payment of all dues.

SEC. 3. In case any constituent body shall fail to be represented at two successive annual meetings of the Board, and also fail to pay its annual assessment for two years, it shall cease to be considered in membership.

## ARTICLE X.

SECTION 1. This Constitution may be amended at an annual meeting, on a vote of two-thirds of the delegates present; notice of the proposed amendment having been first submitted to the Secretary by a constituent body, at least forty days previous to the meeting at which the same is to be considered, and transmitted by the Secretary in circular copies to each constituent body at least thirty days before said meeting.

## ARTICLE XI.

SECTION 1. This meeting of delegates, called in accordance with the plan of preliminary organization adopted by the Commercial Convention held in Boston on the fifth day of February last, shall be regarded as the first meeting of the National Board of Trade, and is hereby empowered to choose officers to serve until their successors shall be elected, and to act upon all papers and resolutions laid before it, the same to be considered as having been submitted in the form and manner required by this Constitution.

## BY-LAWS.

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I. The following shall be the order of business at the annual meetings of the Board :

*1st.* The call of the roll.

*2d.* The reading of the reports of the Executive Council and the Treasurer.

*3d.* The election of officers.

*4th.* The reception of papers from associations seeking admission to membership, to be referred to a Committee on Credentials, to consist of five delegates, which shall have leave to sit during the sessions of the Board.

*5th.* The reception of letters from associations seeking to withdraw from the Board, to be referred to the same Committee.

*6th.* The consideration of any subjects proposed in the annual report of the Executive Council, or in the hands of Committees appointed at a previous meeting.

*7th.* The consideration of the subjects on the Official Programme, in the order in which they are there placed, unless otherwise recommended by the Executive Council.

II. At the annual election, before balloting for President, it shall be competent for delegates to make nominations for that office ; and, before balloting for Vice-Presidents, each delegation present shall be called upon to make a nomination, and the fourteen persons whose names shall stand highest upon the ballot, provided that they have received a majority of all the votes cast, shall be declared to have been elected.

III. Any resolutions on new business, not upon the Official Programme, or recommended by the Executive Council, excepting those relating to points of order or matters of courtesy, shall be referred to the Executive Council before final action be taken upon them.

IV. At the meetings of the Board no delegate shall speak more than ten minutes on one question, without the leave of the Board, nor more than twenty minutes without unanimous consent.

V. A vote of two-thirds of the delegates present shall be necessary to carry the approval of the Board upon any proposition which may appear, or which may be placed upon the Official Programme.

VI. The rules of the House of Representatives of the United States shall govern the deliberations of the Board, so far as they may be applicable and in harmony with the Constitution and By-Laws.

VII. The annual assessment laid by the Executive Council shall be considered as due at the beginning of the year, which year shall commence with the annual meeting; no delegate shall be entitled to a seat, at any meeting of the Board, unless the constituent body to which he belongs shall have paid the assessment for the preceding year; and any constituent body participating in the proceedings of the annual meeting shall be held liable for the assessment of the current official year.

VIII. The annual assessment shall be based upon the officially-reported membership of the constituent bodies, at the date of the annual meeting at which it is made.

IX. The Executive Council shall recommend, at each annual meeting, the place at which it judges it to be expedient that the next annual meeting shall be held.

X. The term of service, of not less than one year, for which delegates are elected, shall commence with the date of the annual meeting of this Board.

XI. These By-Laws may be amended, at an annual meeting, on a vote of two-thirds of the delegates present.

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1875.

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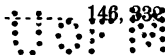
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